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NEWS SUMMARY

GENERAL

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...t breaks ... Cyprus

...ke all relations with ...fter an emotional ... 15 Egyptian comman... ...in Sunday night's sky... ...e with the Cypriot ...uard at Larnaca air... ...break was announced ...fter an earlier state... ...which President Sadat ... recognition of Presi... ...ianou. Page 4. Three ...r commandos were re... ...d in factional fighting ...re, Lebanon, refugee ...

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...frican troops in Nami... ...th West Africa) killed ... 10 black guerillas after ...k in which two white ... died. Page 4. Soweto ...wnship, near Johannes... ...ned two new swimming ...sterday—one for white ... the other for black ...

...l perils

... thaw continued in the ...ountry. floods brought ...ils. Page 9

...ly ...

... will be paid for every ...eir books are borrowed ...ublic libraries if a Bill ... a second reading this ...comes law.

... security forces arrested ...ple in Tabriz on violence ...otage charges.

...ermany beat England 2-1 ...ch, West Germany.

BUSINESS

Equities down 4; Gilts steady

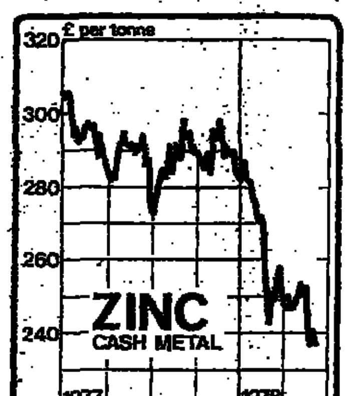
● EQUITIES fell 4.7 to 449.4. The poor showing was attributed to rejection of GKN's bid for Sachs in the German Supreme Court (Back Page) and a continued dearth of buyers.

● GILTS held relatively steady, and the Government Securities index closed 0.24 down at 74.73.

● STERLING put on 30 points to $1.9480 and its trade-weighted index was unchanged at 65.7. The dollar's depreciation widened to 5.27 per cent. (5.18).

● GOLD rose $1 to $181¾.

● ZINC prices fell back to the 4½-year low reached on Monday.



Cash zinc lost £3.5 to £236 a tonne.

● WALL STREET closed 0.26 off at 749.05.

● EXPORT CREDITS accord between OECD countries has been renewed with minor changes, for an indefinite period. Back Page.

● SCOTCH WHISKY has provided the Treasury with £28m. less in duty so far this year, the Scotch Whisky Association claims. Increased taxes are blamed for falling sales. Page 8

● TEA BLENDERS may be compelled by the Government's statutory powers to cut their prices in line with the Price Commission's recommendation of a 3p a quarter reduction, the Prices Secretary has warned, after a bitter meeting between blenders and Prices Department officials. Back Page

At the Typhoo tea packing plant in Birmingham, the 550 workers threatened with redundancy by the closure of the plant by Cadbury-Schweppes, have voted for strike action from Monday. Page 11

State agency pay sanction

● PROPERTY SERVICES Agency became the first Government department to operate the pay guidelines sanctions clause in tender and contract documents. Leaders of the construction industry immediately called for a total embargo on all Government building contracts. Back Page

LABOUR

● BRITISH RAIL talks with three rail unions over bonus payments failed to persuade the train drivers' union ASLEF to call off its national one-day strike on March 1. Back Page.

● TUC general secretary has rejected suggestions that the unions would be led into discussions with the Government about another stage of incomes policy after July 31. Page 11

● BSC management met the Iron and Steel Trades Confederation executive to try to win its support for a five-point commitment on manning and labour relations in return for an improved pay deal.

● AC DELCO, a components subsidiary of General Motors, is to launch a maintenance-free battery on the European market.

COMPANIES

● BOC International lost about £3m. in profits due to the four-week strike in its gases division. First quarter pre-tax profits fell from £16.6m. to £10.8m. Page 24 and Lex

...PRICE CHANGES YESTERDAY

(...in pence unless otherwise indicated)

RISES

... 9¾pc 1981	£101	+ ⅝
...th Invs.	18½	+ 2
... Oil Acreage	100	+ 5
... (J.)	313	+ 7
...s Dfd.	323	+ 4

FALLS

...0¼pc '95 (£30 ...)	£25¾	− ¾
...d (S. and W.)	199	− 6
... J.)	106	− 9
...s Stores	162	− 8
... Estate	96	− 4
...ge Crpn.	109	− 4
...t Cap.	172	− 8
...	113	− 6
GKN	265	− 12
Hambros Bank	171	− 7
Hickson and Welch	500	− 23
Johnson Matthey	415	− 32
Redfearn Nat. Glass	288	− 8
Ropner Hldgs.	37	− 4
Royal Insurance	366	− 7
Slough Estates	113	− 3
Trust Houses Forte	176	− 6
Vaporona	121	− 5
Wigfall (H.)	214	− 10
BP	753	− 6
Oil Exploration	222	− 6
Ultramar	212	− 8
Durban Deep	367	− 17
Blandsrand	228	− 8
Grootvlei	140	− 6
Lydenburg Plat.	59	− 5
Oakbridge	142	− 5
Rustenburg Plat.	87	− 5

Canada to borrow heavily in bid to boost dollar

BY OUR OWN CORRESPONDENT: Ottawa, Feb. 2

The Canadian Government is to borrow substantial funds on the international money markets for the first time in ten years in a bid to prop up the sagging Canadian dollar and cover a growing deficit in its current account running at C$4.5bn. a year.

The Government also intends to make its first drawings from the standby credit of U.S.$1.5bn. negotiated last autumn with the main Canadian banks. Both these moves come amid reports of significant capital outflows from Canada, and may be followed by further measures to halt speculation against the Canadian currency.

The Canadian dollar responded immediately to the news in foreign exchange markets, rising about half a cent against the U.S. dollar.

Canada's currency has steadily lost ground in the past 15 months, reaching a 40-year low on Monday of 88.90 U.S. cents from an exchange rate of $1.03 in November, 1976.

The announcement came late on Tuesday night in a news release from Mr. Jean Chrétien, the Finance Minister, long after the stock markets had closed.

Mr. Chrétien had undergone a severe hammering in the Canadian House of Commons during the day for failing to act to bolster the dollar.

How much money was to be borrowed was not disclosed. Mr. Chrétien said: "It is now being arranged and details will be announced later. The purpose of the borrowing by the Government is to assist in financing the current account deficit of the balance of payments."

Such borrowing, he added, "will supplement the inflow of capital to Canada that occurs through other channels."

Borrowing on the international market is generally the route taken by provincial and municipal authorities. The last time Ottawa did this was in 1968, when it borrowed about $1bn. on the New York and West German money markets.

Reserves fell

Canada's foreign reserves fell to $U.S.4.4bn. in January from $U.S.4.61bn. in December. February figures will be published next week.

Mr. Sinclair Stevens, the Opposition Progressive Conservative Party finance spokesman, estimated on Tuesday that there had been a further drop of $500m. in the last month.

It is now believed the outflow of capital this month from Canada, and the shift from Canadian dollars to U.S. dollars even within Canada, has been substantial.

The next most likely move by the Government is to encourage a rise in short-term interest rates in Canada. The spread between Canadian and U.S. rates in recent months has been reduced to near zero, partly to help stimulate the economy.

The 10 per cent. devaluation of the Canadian dollar against the U.S. dollar last year (more against some European currencies and the Japanese yen) has helped domestic economic activity and competitiveness. The merchandise trade surplus improved by nearly $1bn. in 1977.

The trouble is in Canada's invisible account. The rise in merchandise trade surplus is insufficient to cover the rising outflow of interest and dividends and the deficit on tourism and services.

Speculation against the Canadian dollar has been encouraged by political uncertainties and the serious split between business and the Levesque Government in Quebec.

Francis Ghilès writes: The Government is not expected to draw more than a quarter at most of the $1.5bn. standby credit arranged last autumn with the five main Canadian banks.

Total Canadian borrowings on the international financial markets last year were $7.06bn.

Of this $3.29bn. was in medium-term credits, £1.83bn. Eurobond issues and $2.94bn. foreign bonds in the U.S. Canadian entities were the largest single borrowers in the medium-term credit and Eurobond markets.

Editorial comment, Page 22

EEC acts on steel selling schemes

By David Buchan and John Lloyd

THE EUROPEAN Commission has told British Steel and the British Independent Steel Producers' Association to drop their attempts to make steel stockholders buy most of their steel from EEC sources and sell all of it at U.K. producers' list prices.

M. Raymond Vouel, the EEC competition commissioner, has written to both groups telling them to cancel their measures.

Producers in West Germany, France and Luxembourg who have been making similar moves have also been told to stop, as many of the measures were "clearly illegal."

The British producers association last night rejected the Commission's call, saying that the proposed agreements between U.K. producers and stockholders were "purely voluntary" and thus could not be illegal. British Steel made no comment.

Last December, the steel corporation and the association wrote to stockholders asking them to agree to buy 95 per cent. of their steel from EEC producers and base their charges on British Steel list prices.

These proposals went a good deal further than the Commission's plan, which set mandatory minimum price levels on merchant bars, reinforcing bars and hot rolled coil only and did not specify how much steel should be bought from countries outside the EEC.

The letter from M. Vouel to the two British groups, sent on Monday, notes that they sought to impose on their merchant customers "certain commercial undertakings which go beyond the possibilities available under the Treaty (of Paris) and beyond the terms used by the Commission . . ."

M. Vouel's officials said last night that, although the Commission's steel plans were aimed at curbing the growth of imports on the European market, the means employed by British Steel and the producers' association completely overstepped the mark.

There has been intense lobbying of M. Vouel and of Viscount Davignon, the Industry Commissioner, to make them intervene in the U.K. arrangements. Steel users believe that the British groups' proposals were creating a cartel between producers and stockholders aimed at eliminating foreign competition—and thus price-cutting—completely.

The National Association of Steel Stockholders said it was "incredible" that the Commission should act in this way. The British groups' proposals were drawn up in the interests of safeguarding the U.K. and the EEC steel industries in the long-term.

Shipowners seek debt rescheduling

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

BRITISH Shipbuilders said last night that it had received requests for rescheduling of debt from about ten shipowners, most of them foreign.

This further indication of growing problems came at the end of a day in which rumours persisted of liquidity difficulties in a British shipping company, causing the second successive daily fall in shipping share prices. The FT-Actuaries shipping index fell another 1.9 per cent. to 421.9.

A large number of shipowners said they were not the company at the source of the market's worries.

Bibby Line, of Liverpool, issued a statement saying it had no immediate liquidity problems but a continuation of the present recession would inevitably lead companies with heavy involvement in bulk tramp markets to seek debt rescheduling.

The Department of Trade is known to be keeping a close watch on the situation, but it denied yesterday that it had received any request from a shipowner for aid under the Industry Act.

Mr. Maurice Elderfield, finance director of British Shipbuilders, said that he had been dealing with a steady flow of requests for debt renegotiation.

There had not, however, been any general request to British Shipbuilders for a two-year moratorium on Greek owners' debts of the kind reported earlier this week to have been received by the Shipbuilders Association of Japan.

Mr. Elderfield said the requests were being dealt with sytematically, and on their merits. "On the whole we are trying to look at each case as if we were a banker, looking at guarantors, backers and the owner's banker."

Not all the requests had been met but in two cases, the shipowner had been able to make other arrangements. In one case, a foreign owner was getting into severe financial difficulties.

One possible interpretation is that the Ship Mortgage Finance Corporation, a consortium of shipping bankers which acts as guarantor in the financing of ship purchase is becoming more closely involved as a number of owners' cash-flow problems increase.

In Glasgow yesterday, Mr. Brian Shaw, managing director of Furness Withy, said the Government policy of subsidising shipbuilders and, therefore, contributing to overtonnaging of shipping markets was a lunacy.

Mr. Anthony Chandris, president of the Union of Greek Shipowners, was still in London yesterday following a secret meeting earlier this week of Greek, Scandinavian and Hong Kong owners about the formation of a joint lay-up plan for dry cargo ships.

Our Athens correspondent writes: The Greek shipowners' request to Japan is said to have been concerned about 1.8m. tons ordered between March, 1976, and March, 1977. This accounted for about 30 per cent. of total Japanese export orders in that period. The bulk of the ships was in the 35,000 to 40,000-ton range.

Many Greek shipowners who ordered ships in Japan are now on the brink of bankruptcy owing to the decline of the dollar against the yen.

Lex, Back Page

Smith urged to resign and dissolve Parliament

BY TONY HAWKINS SALISBURY, Feb. 22.

THE THREE black nationalist delegations to the Salisbury settlement talks to-day adopted a significantly tougher line, calling on Mr. Ian Smith to resign, dissolve the white-dominated Parliament and dismiss most of his Cabinet.

The plans were put to Mr. Smith to-day in a 90-minute session with Chief Jeremiah Chirau, leader of the Zimbabwe United People's Organisation and spokesman for the Nationalists.

The black formula, agreed yesterday morning, provides for a two-tier structure with an eight-man executive council (two members from each of the four parties involved) and a 24-member ministerial council (six from each party).

Both councils would elect their own "independent chairman" who could be either a Rhodesian or a foreigner. The present Parliament would be required to pass the necessary amending legislation before being dissolved and replaced by the two councils sitting together.

Thus Rhodesia would change overnight from a country with 76 per cent. of the legislature in white hands to one where the blacks would command 75 per cent. of the seats.

Mr. Smith's immediate response was unfavourable. He said that his 50-man white Parliamentary caucus had warned him that he had already gone too far in the negotiations.

Mr. Smith's plan, which his MPs dislike, is for immediate parity in the interim-Government between black and white Ministers, though he and his nominee would be chairmen of both councils. He would recess Parliament until it is recalled to enact enabling legislation for a new constitution.

Mr. Smith dislikes the black formula — designed to win African support at home and abroad — because of the abrupt nature of the proposed changes and because it could endanger his position at the promised referendum.

He has always insisted that any constitutional agreement would be put to the white electorate at a referendum before being introduced in Parliament.

In demanding that he relinquishes power and hands over all legislative functions to the black-dominated transitional administration, the nationalists have placed Mr. Smith in an impossible position.

He cannot accept this without putting the detailed plan to the electorate at a referendum—but he cannot hold the referendum until a constitution has been drafted and he has finalised a detailed agreement on the armed forces.

Parliament, Page 12

Dayan wants change

BY DAVID LENNON TEL AVIV, Feb. 22.

THERE WILL be no progress in the Middle East peace talks without a substantial change in the Israeli approach to the Palestinian issue, Mr. Moshe Dayan, the Israeli Foreign Minister, said to-day.

Mr. Dayan's statement, which conflicts with the position taken by Mr. Menahem Begin, the Prime Minister, came as Mr. Alfred Atherton, the U.S. Assistant Secretary of State, flew from Jerusalem to Cairo on his renewed Middle East peace shuttle.

Mr. Dayan followed up this extraordinary statement at a meeting with Knesset members by saying that Israel would be willing to consider a division of the West Bank between Israeli and Arab sovereignty if the Arabs were to propose this.

Yesterday's talks between Mr. Atherton and the Israeli leaders failed to narrow the gap between the positions of Jerusalem and Cairo.

Mr. Dayan said the Palestinian issue was the central problem in the negotiations.

There was no indication that President Sadat of Egypt was willing to compromise on this matter, or on his demand that Israel withdraw to the 1967 borders.

Middle East News, Page 4

£ in New York

—	February 22	Previous
Spot	$1.9445-9460	$1.9495-9510
1 month	0.08-0.03 dis.	par-0.05pm
3 months	0.17-0.12 dis.	0.05 dis-par
12 months	0.85-0.65 dis.	0.60-0.45 dis

Devolution pledge by Minister

BY RICHARD EVANS, LOBBY EDITOR

ASSURANCE that the Government would campaign to overcome the 40 per cent. "Yes" provision in the referendum was given by Mr. Bruce Millan, Scottish Secretary, yesterday, when the Scotland Bill reached its final Commons hurdle before going to the Lords next month.

Mr. Millan, moving the Third Reading of the accident-prone Bill, said anti-devolution MPs who believed the 40 per cent. hurdle was an "insuperable barrier" that would prevent the setting up of an assembly were deluding themselves.

"What this test means is that all of us who are in favour of the Bill and are going to campaign in the referendum will now campaign harder. I believe that we will get the result which meets the test now written into the Bill," he said.

The Government still regarded the 40 per cent. provision as damaging and one that could have dangerous political repercussions in Scotland, but Ministers would not seek to remove it in the Lords.

Mr. Millan insisted that the basic structure of the Bill remained as it was on introduction, in spite of the passing of a number of "unwelcome" amendments. Claims that the legislation was now not viable were grossly exaggerated.

He confirmed that when the Bill reaches the Lords, where it has its Second Reading on March 14 and 15, the Government intended to introduce amendments on the position of Orkney and the Shetlands.

The right given in the Commons for the islands to "opt out" of devolution if they voted "No" in the referendum could have serious repercussions. But Ministers accepted the verdict of the Commons that some special provision would now have to be written into the Bill, he said.

Government Whips and anti-devolutionists both agreed that the Bill should survive its Third Reading before beginning the long haul through the Lords.

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FEATURES

For latest Share Index 'phone 01-246 8026

Suarez outlines economic progress

BY ROBERT GRAHAM

MADRID, Feb. 22.

SPANISH Prime Minister Sr. Adolfo Suarez said to-day that the package of economic measures adopted by the Government in agreement with the main opposition parties last October was beginning to bear its first fruit. In particular, inflation had been sharply cut back and Spain's external payments position substantially improved.

Sr. Suarez made these comments as part of a broad commentary on the Spanish economy when he inaugurated here to-day a two-day conference organised by the Financial Times on "Business with Spain." Sr. Suarez, who was introduced by FT chairman the Hon. Alan Hare before over 300 Spanish and foreign businessmen, bankers and officials, declared that the conference came at a highly opportune moment for Spain—in the wake of the June elections and the first government attempt to grapple with the problems caused by the energy crisis and carry out structural reforms that established a proper market economy.

FINANCIAL TIMES
Business with Spain
CONFERENCE

The Prime Minister reaffirmed that the government intended to abide strictly by the terms and guidelines of the October package of reforms, known as the Moncloa Pact. "This has inspired and will continue to act as an inspiration for government economic decisions," he said. Referring to some initial successes of these measures, he said: "The double aim of reducing inflation and payments deficits are no longer mere propositions. They have become in good measure, facts. Inflation, which in the summer months was running at an annual rate of 30 per cent., came down in the last quarter to below 15 per cent. While the payments deficit has been cut by over $1.8bn. over the year. Exports for their part increased 11 per cent. in real terms."

He also pointed out that Spain's foreign reserves in January this year stood at $6.46bn. against $3.7bn. at the time of the peseta devaluation in July.

Despite these positive results he underlined that the Moncloa Pact could not be expected to produce "miracles." Spain, he said, still faced difficult months ahead. However, he expressed confidence in the spirit of national co-operation that prevailed which itself was a fundamental element in ensuring the success of democracy in Spain.

Sr. Suarez concluded his inauguration of the conference by stressing Spain's strong commitment to Europe. "We have sought membership of the European Economic Community because this is the point of departure for constructing a united Europe in which we firmly believe and from which we cannot be absent," he said. In this respect, he said he felt Spanish membership could act as a stimulus to the development of the Community.

A more detailed analysis of Spanish economic policy was given subsequently by Prof. Enrique Fuentes Quintana, vice-president of the Government in charge of economic affairs and the Spanish economic overlord. He said that Government policy since the June, 1977, elections had been determined by three main factors—the need to accomplish a large-scale transfer of resources to exports and stimulate import substitution to improve the payments position; to ensure that the burden of the present economic crisis was evenly distributed among all segments of society and the economy; and to develop a more rational use of financial resources including an end to the so-called "privileged circle."

Prof. Fuentes Quintana stressed that these policy considerations could not be divorced from political context in which they had been made. They were intimately linked to the establishment of a democratic system in Spain, as well as being part of a switch to a more liberal economic system that recognised market forces as the predominant conditioning element.

Mr. Alan Hare (left), chairman and chief executive of the Financial Times, with Sr. Adolfo Suarez, the Spanish Prime Minister, at yesterday's conference.

Backing up Sr. Suarez' statement on some initial successes having been achieved, Prof. Fuentes Quintana pointed out that in early 1977 it had been expected that the payments deficit would be in the order of $5.5bn for the year. Instead, provisional figures showed the deficit to be $2.5bn.

The price of this, however, was a low increase in GDP of 2.4 per cent. for 1977 and an increase in unemployment which now stood at 6.5 per cent. of the work force. When later asked in a question about this year's projections, Prof. Fuentes Quintana said growth would be slower and no more than 1 per cent.

In a paper presented to the conference (International Investment in Spain) commerce and tourism minister Sr. Juan Antonio Garcia Diez, welcomed the increased interest of foreign investors in Spain. In 1977 269 foreign investment permits were authorised, 34 per cent. up on the previous year, and in value terms double 1976 standing at Pts.28bn. Direct net foreign investment in Spain was now just below 2 per cent. of the GDP—a figure in comparison with other European countries which gave no cause for concern.

One of the main themes of the conference is the relationship of the Spanish economy to Europe and the various problems that confront it in its application for membership to the EEC. Mr. Godfrey Rippon, leader of the European Conservative group in the European Parliament, argued in favour of a rapid negotiation.

He said he would like to see Spain a full member by 1981—if not he felt that delays tended to erode public confidence in membership.

In a detailed analysis of Spain's relation with the Community to date, Sr. Jose Maria Jerez y de Rojas, director general of commercial policy at the Commerce Ministry, pointed out that Spain had not been entirely satisfied with past arrangements. However, he said that it was now important to look ahead. It had to be decided whether the three new applicants—Spain, Greece and Portugal—should be considered together, in parallel or separately.

Finland can try for growth, says OECD

Finland can afford to steer towards a moderate growth policy this year, turning its attention somewhat from inflation and balance of payments problems to its increasing problem of unemployment, David White writes from Paris.

This is the conclusion of a report by the Organisation for Economic Co-operation and Development, which sees Finland facing a year of zero growth and a growing total of jobless. Unemployment, in which Finland had lost its former good record, was the main cost of the economic squeeze of the last few years. Inflation, which began to respond to restrictive measures late last year (an effect delayed by a two-stage devaluation of the Finnish mark), should continue to fall sharply. The current account deficit, having been knocked down to just under $250m. last year from more than $1bn., could turn into a surplus this year.

Statfjord gas 'not enough' for industry

Reserves of natural gas liquids in the U.K.-Norway Statfjord field are inadequate to provide feedstock for a petrochemicals complex using NGL as its raw material. This is the conclusion of a report prepared for the Ministry of Industry in Oslo by the State oil company Statoil, with Norsk Hydro and Saga Petroleum, Fay Gjester writes from Oslo.

The report, delivered to the Ministry yesterday by the three companies, says the NGL reserves in the field are less than previously believed. The Ministry had asked the three to evaluate the prospects of establishing a petrochemical industry in Western Norway based on Statfjord NGL. If their verdict had been positive, it would have strengthened the case for building a pipeline linking the field with Western Norway.

Swiss franc up

The Swiss franc has more than doubled its trade-weighted value since the conclusion of the Smithsonian agreement in December, 1971, John Wicks writes from Zurich. According to calculations of Swiss Bank Corporation, the appreciation, compared with a basket of the currencies of 15 major trading partners, reached 100.19 per cent. During trading yesterday in Zurich, the Swiss franc remained very strong against all individual currencies, including the West German mark.

W. German car rise

West German motor vehicle production rose to about 397,000 units last month, a record January total and the second highest figure for one month, West German Automobile Industry Association figures show, Reuter reports from Frankfurt. Production in December totalled 317,838 and in January last year, 339,221. The record is just above 413,000—achieved in March 1977. The Association said that car production rose last month to about 369,300 units from 293,353 in December and 330,452 in January 1977.

Turkey-U.S. talks

Talks opened here yesterday at a technical level between Turkey and the U.S. on a broad range of topics, the most important of which cover defence and economic relations, Metin Munir writes from Ankara. However, diplomatic sources warned that "nothing earth-shattering" should be expected from the meeting. The crucial issue on the defence side of the talks is the U.S. embargo on arms to Turkey. The embargo began in February, 1975, seven months after Turkey's armed intervention in Cyprus.

DUTCH WAGE BARGAINING

Maximum security

BY CHARLES BATCHELOR IN AMSTERDAM

THE CENTRAL theme of this year's round of wage negotiations in Holland is employment. Price compensation, the issue which, in 1977, led to the country's most extensive labour conflict since the war has been all but forgotten.

Elaborating on their earlier slogan of "more profit—more work" the Dutch trade unions are demanding "job agreements."

The reasoning behind the call for an agreement is that if the workers are prepared to accept wage moderation and the taxpayer is providing money to stimulate industry then the employers should in turn give guarantees on jobs. Precisely what these guarantees are, is at the heart of the negotiations now under way in many sectors of industry.

Some agreements have been reached already and with the exception of a few problem areas the signs are that the 1978 wage round will pass off fairly peacefully. Last November prospects did not appear so rosey. Central wage talks involving the Government and both sides of industry broke down after one meeting—which lasted 20 minutes.

The unions and employers restarted talks on an industry and company basis in December and the agreement began to take shape.

The unions, led by the Socialist FNV which traditionally takes a tougher line than the smaller Christian CNV, want detailed discussions in industry on the quantity and quality of work. This cover-all phrase includes a series of detailed demands. Employers must be prepared to discuss investment plans and market developments and their likely impact on jobs.

The unions insist they do not want to freeze job levels and accept that technological developments may lead to changes. But they do want to avoid being presented with sudden demands for lay-offs or reductions in capacity.

If a company pensions off some of its more elderly workers before they reach retirement age then agreement must be reached on how to fill the vacancies. Employers must be ready to take on a certain number of people who are particularly vulnerable on the labour market — the handicapped, those who have been unemployed for a long time, young people and women. All vacancies must be reported to the local labour exchange and private employment agencies must only be approached in agreement with the works council.

To improve the quality of work, discussions must be held on unpleasant and dead end jobs and on cuts in unsocial working hours.

The employers reaction to this list of demands has been varied but many fear the unions will gain too great a say in the running of business. They are worried that job guaranteees will mean keeping on a larger workforce than they need.

One of the first wage agreements reached this year was at Ahold, the large Dutch supermarket chain. The management has agreed to discuss the labour situation twice a year with the unions. Any developments which might lead to a reduction in the 24,000 work force will be notified in advance.

The unions say this amounts to the agreement they want. Ahold refuses to say so though since it says there is no guarantee there will be no redundancies. The unions say that in practice there could be no enforced lay-offs and that Ahold is only trying to save face.

Agreements have been reached by about 10 per cent. of Holland's work force of around 4.8m. The largest group to settle so far are the 260,000 building workers. Agreement in principle has also been reached by 135,000 social welfare workers while 38,000 employees in horticulture and agriculture, 30,000 painters and 9,000 carpenters have also settled. The graphic trades have also reached agreement.

The wage contract in the building industry was signed on February 11 after nearly three months of negotiations. It contains no formal reference to an agreement but meets many of the unions demands on employment.

Developments affecting the number of jobs will be discussed regularly. The employers refused to allow the unions to take part directly in these discussions but have agreed to set up employees committees in the smaller firms and to work through the works council in the larger firms.

On the material front, price increases will be fully compensated for in wages. A 5 per cent production bonus will be consolidated into the basic wage and an extra day's holiday a year will be given—taking the total to 2[illegible] days.

An experiment to pension off building workers from the age of 63 onwards will be continued for a further year. The agreement also contains controls to see that workers are not drawing social security benefits and that employers are paying their dues to the industry association to which they belong.

Negotiations are under way in several other sectors, notably banking, the ports, the metal industry and the dairy sector. The metal industry, in particular Holland's major steel producer Hoogovens, have become the centre of conflict.

An action committee has been set up at Hoogovens to co-ordinate industrial action, and one group of 200 workers blockaded the main entrance to the steel works last Monday.

Hoogovens, which was at the centre of a bitter dispute in 19[illegible] is a special case. Last year it announced plans to shed 2,5[illegible] jobs, representing more than 10 per cent. of its workforce.

The depressed state of the steel industry has meant [illegible] expects to make its largest ever loss in 1977. The first nine months alone produced a [illegible] loss of Fls.262m. and the fourth quarter also showed a large deficit.

The unions are seeking extensive short-time working and a switch from four to five shift working. These measures would maintain job levels and reduce the number of unsocial hours worked by each employee. Hoogovens management say the proposals would cost too much and do nothing to solve the company's basic problem—overcapacity in a shrinking steel market.

Talks at Philips, which unlike Hoogovens does have a good level of profits, have also run into problems.

Philips is willing to discuss investments and other developments which would affect job levels but it is wary of committing itself to job guarantees. It has also run into problems over its price compensation scheme which differs from the national pattern.

The Government was shut out of the mainstream of negotiations when the tripartite talks broke down in November. It has been active on the sidelines, however. It shares some of the employers' reservations about agreements but is willing to help out where it thinks they would be useful.

EEC JOBLESS UP

The number of unemployed in the European Community rose to 6.2m. last month, up some 200,000 from December 1977, writes David Buchan in Brussels. This figure, which consists only of the registered unemployed, amounts to 5.9 per cent. of Europe's total civilian work force, compared with 5.6 per cent. in January 1977.

Proportionally more women are now out of a job, with 6.7 per cent. of the total female work force unemployed last month, compared to 5.5 per cent. of men. EEC officials say the latest figures underline the need for a job strategy. The Commission last week outlined a number of possible means of improving the share-out of available work. These include possible restrictions on overtime and shift working, and will be discussed at this year's tripartite conference between governments, unions and employers.

CONTRACTS AND TENDERS

·onn resists ·essure over ·utron weapons

ATHAN CARR

BONN, Feb. 22.

T German coalition t is strongly resisting adopt a public stance production by the ites of the neutron l its deployment with-

ssure has been emerg- y from the opposition also from some with- or coalition party, the rats (FDP), who feel ole signal on the uld now be made to

gnal had been widely om a lengthy meeting rliamentarians which nto yesterday evening. ently in the wake of 1 from the senior partner the Social (SPD), the gathering only a statement h conditions.

point which the SPD rly anxious to stress— sion on production of lies with President er alone. It said that sion went in favour, should be made to eapon into East-West it negotiations in the riod expected before

ously the opposition as unanimously pass- ition urging introduc- ie neutron weapon would increase the errent power in the growing strength of Pact.

sition also argues that ans cannot seriously d to enter into pro- ess they have a clear advance that the ould be deployed y would be most at is, in Western the Federal Repub- ular.

rnment under Chan- ut Schmidt does not s away a card which y useful in bargain- East. But it is also under severe internal and external pressures.

David Buchan adds from Brussels: Prime Minister James Callaghan's statement yesterday that the row over the neutron weapon should at least be seen in the context of current Soviet developments, particularly the SS-20 missile, was welcomed to-day in NATO circles who see British and West German views as crucial to any decision by President Carter to produce the weapon.

The Carter administration wants to be assured it can deploy the weapon in Europe before manufacturing it in the U.S. But no one in NATO is under illusions about the political sensitivities to the weapon inside the ruling British Labour and West German Social Democratic coalition parties.

Mr. Callaghan gave no hint yesterday that he positively favoured the weapon's deployment. The former West German Defence Minister, Herr Georg Leber, was for it, but NATO officials expect that his successor, Herr Hans Apel, will take some time to come to the same view.

Of the other NATO allies, the new Dutch Government is expected to come out against the weapon's deployment, and Italy is too preoccupied with its own governmental crisis.

Reuter adds from Moscow: The Soviet Union told the West to-day it would be senseless and hopeless to try to frighten the Communist world with cruise missiles and neutron bombs because its scientists could match any enemy weapons. Speaking at a Kremlin rally marking the 60th anniversary of the formation of the Soviet armed forces, Defence Minister Dmitry Ustinov—without specifying the target of his remarks—said no one should take Soviet "love of peace" for weakness.

"Let no one try to scare us with new types of lethal weapons—cruise missiles, neutron bombs or the like," he told the rally.

·ent Council meets

HERMANN, LEGAL CORRESPONDENT

MUNICH, Feb. 22.

NISTRATIVE Coun- European Patent eting here to-day and to decide a number l and organisational efore the office with sing patent applica- ne 1, 1978.

this is the second the Council it is the g meeting since the Patent Convention by the U.K. France, the Benelux coun- erland and Sweden. by, Austria and Den- ected to follow soon. ion by Italy, eagerly the world's phar- industries because it n an extension of tection to drugs, is some internal politi- ies.

The main problem facing the present meeting of the Administrative Council is the reorganisation of the International Patent Institute in The Hague which has been integrated into the European Patent Office as its search division—known here as Directorate General 1. The decision concerns 700 employees of The Hague institution who are now divided into 40 sections. These sections are being reduced to 25 to correspond to the number of examination sections of the new office.

The second important item on the meeting's long agenda is the appointment of personnel proposed by member States. The British quota is 20 per cent. of the total number of examiners, which should be about 700.

THE FRENCH ELECTIONS

Mitterrand gives Left's view of Alliance

By Robert Mauthner

PARIS, Feb. 22.

M. FRANCOIS MITTERRAND, the French Socialist leader, confirmed to-day that if a government of the Left came to power after next month's general election, France would remain a member of the Atlantic Alliance but would reverse what he claimed was the present Government's policy of greater military integration in NATO.

Without going into details, M. Mitterrand also suggested that it would be useful for neogtiations to be held between the member countries of the Alliance, presumably to work out a more equal relationship between the U.S. and its partners.

While describing the U.S. as "our friends," the Socialist leader placed his emphasis on on improvement in France's relations with the Soviet Union. Although he recognised that "good friendship treaties" already existed between France and the USSR, M. Mitterrand said they were lacking in real content.

Negotiations should be held with the Russians to fill out these treaties and to ensure that relations between the two countries became more and more substantial. In this context, M. Mitterrand also suggested that a new European security conference should be organised to deal principally with the disarmament problem.

Criticising the present Government's policy in this field, which he said was based mainly on reduction of conventional arms, he said that a Government of the Left would give priority to nuclear disarmament. It would also make a point of participating in all the main disarmament conferences.

M. Mitterrand, who was speaking at a luncheon of the French Diplomatic Press Association, also took a firm though critical pro-Common Market line. Under a Left-wing Government, he said, France would respect all its commitments within the Community, but would take step to "change its nature."

● The parties of the Left still have a five-point lead over the Government coalition, according to a public opinion poll published by the pro-Government Paris newspaper, Le Figaro to-day.

● The French Cabinet agreed to provide Frs.50m. (£5.3m.) of extra credits to aid development of the agricultural and food processing industries, a Government statement said, Reuter reports from Paris. They will be at the disposal of the agricultural development office to finance special model projects.

Hungary to pay more for Soviet crude oil

BY OUR OWN CORRESPONDENT

VIENNA, Feb. 22.

HUNGARY WILL have to pay 59.7 roubles (about $86.8) for one ton of Soviet crude oil this year—a rise of 213 per cent. over the figure quoted for Soviet crude deliveries in 1977. This is the first time that an East European Communist country has revealed the rate of the actual increase in the price charged for Soviet oil this year. The figure was quoted in a recent issue of Vilaggazdasag, the Hungarian economic journal, in connection with the conclusion of Soviet-Hungarian contracts for annual deliveries of oil and petroleum products.

Hungary will receive 7.7m. tons of Soviet crude this year which is only a 4 per cent. increase on the figure for 1977. This is almost the same rate of growth as that fixed by a similar agreement signed between the Soviet Union and Czechoslovakia last month. Czechoslovakia will receive this year 17.7m. tons of crude oil and petroleum products worth 871m. roubles. As the total figure is not split up according to crude and refined products, exact prices cannot, however, be calculated. Some Western observers have estimated that the price would work out at about $71.6 per ton. In view of the figure now officially released in Budapest, those estimates appear to be too low.

In addition to crude, Hungary will also buy 1.5m. tons of petroleum products this year, up 200,000 tons on the figures for 1977. However, under a special contract, 1m. tons of crude and petroleum products will be purchased in exchange for shipments of Hungarian grain and meat, with prices calculated and payments made according to the level of world market prices.

Mr. V. V. Stupenkin, the director of the oil department of the Soviet State Export Agency, told the Hungarian journal that the price is based on the so-called Bucharest price formula, which means that the average of the world market prices for the previous five-year period (1973-77) is taken as a basis. However, he stressed that even now the price of the Soviet crude was 20 to 25 per cent. lower than that obtaining on the world market.

He revealed that this year six East European countries will receive about 70m. tons of Soviet crude. Thus it is evident that all East European countries will have to pay about 20 per cent. more for Soviet crude this year.

Hungary last year had to absorb a 23 per cent. increase in Soviet oil prices and since 1971 the price for Soviet crude has shown a fourfold rise from 15 to almost 60 roubles per ton. As the Soviet Union provides well over 80 per cent. of the imported crude, the price increase has placed a growing burden on the Hungarian budget. The additional cost amounted to 66.5m. roubles last year and should reach an extra 80m. roubles in 1978.

By 1980 intra-Comecon prices should reach approximately the level of world market prices. Mr. Stupenkin refused to give any indication of the level of Soviet oil shipments after 1980.

PRIVATE ENTERPRISE IN EASTERN EUROPE

Making room for the small businessman

BY PAUL LENDVAI IN VIENNA

THE HUNGARIAN Communist Party daily newspaper Nepszabadsag has proudly informed its readers about a new success in economic policy: the number of private craftsmen operating in Budapest last year rose by 149 to 15,259. There was a trend towards more employees and pensioners applying for private operating licences, the paper said, adding that any skilled worker with at least two years of practice could also easily receive a trade licence from local councils.

Nothing could illustrate the shift of policy towards the remnants of private capitalism better than the spate of articles published about the new tax concessions and other measures aimed at promoting private business. Henceforth private artisans will be exempted from all taxes in the first two years after they receive their trade licences. In villages and towns with less than 5,000 inhabitants, craftsmen will enjoy a three-year grace period. Annual earnings up to 48,000 forints (about £1,350 at the tourist rate of exchange) are tax-free, and, in all, taxes have been reduced by 17 per cent. as of 1978.

The Polish Government has decided to allow the lease of small State-owned shops to private people who in addition to their family are allowed to employ up to three and, in special cases, even four paid employees. Evidently the authorities want to get rid primarily of the small unprofitable retail outlets. About 83,000 of the 122,000 State shops in Poland employ only one or two persons. Excluded from the new system are establishments selling meat, jewellery, spirits and second-hand imported goods.

It is not the first time the Communist system has turned to private management. Under a so-called agency system, introduced in 1964 in Poland, service and catering enterprises—and three years later also shops—were leased to private entrepreneurs. Today one-third of the catering industry and all petrol stations are under private management according to the lease contracts. But the number of the agency shops fell between 1971 and 1976 by 23 per cent. and that of private shops from 9,819 in 1960 to 7,036 in 1976.

During the early 1970s similar downward trends were registered in East Germany and Hungary where currently private craftsmen satisfy 63 per cent. and 48 per cent. respectively of the services for the population. The reasons for the lack of a sustained upswing in the private sector have generally been the same everywhere: local party and state officials have been dragging their feet or even shown outright hostility instead of tolerance, the craftsmen and shopkeeprs have been subjected to discriminatory taxation, and there has been a lack of access to raw materials and appropriate equipment.

Similar measures aimed at the promotion of private artisans and shopkeepers, and at the improvement of services for the population, have also been taken or announced by Communist regimes in Poland and East Germany. Party officials brought up on the dogma that private entrepreneurs are a necessary evil tolerated only for a very short transitional period, are now bluntly told that the quality and supply of services and the distribution of products cannot be improved without private enterprise.

Partelet, the monthly produced primarily for party functionaires in Hungary, recently published a five-page article extolling the merits of the private sector and issued a call to the party organisations to influence public attitudes in a "correct direction." The periodical stressed that "every honest person should have a place in our developed socialist society."

However, those who suspect the Hungarian Communists of committing an ideological sin are mistaken. In the Soviet Union for example, 60 years after the Russian Revolution the legal private sector, according to U.S. economist Professor Gregory Grossmann, still accounts for 10 per cent. of the Soviet GNP. The 50m. private plots run by the collective farmers which take up a mere 3 per cent. of the total cultivated land are responsible for a quarter of the gross farm output. Though employment of one individual by another is still prohibited (except as a household help), even the new Soviet constitution confirms the trends towards expanding the scope for legal private activity.

Nevertheless there are only some 100,000 private craftsmen in the Soviet Union with a population of 260m. By comparison, Hungary with a 25 times smaller population has almost as many private artisans and shopkeepers.

Wherever the Communist authorities have kept their commitments the private sector has shown a surprising degree of flexibility and adaptibility. But the very success of the experiments and the conspicuous consumption of market gardeners, or orchard owners, television repairmen or milliners has aroused growing opposition among the party faithful. Private activity, even if formally sanctioned, nevertheless remains ideologically alien to a Communist system.

How can private enterprise be used in a bid to improve services and supply without creating what is regarded an impermissible degree of social differences within societies which call themselves socialist? This is the real political background against which the ups and downs in attitudes towards the private sector must be seen. The progress towards a consumer society, and perhaps above all the growth in private car ownership, involving such problems as the operation, maintainance and repair of cars, have aroused expectations which a centrally planned and regimented system simply cannot satisfy.

Yet the rising demand of the consumers for more meat, fresh vegetables and better services is the single most important factor shaping the political climate from East Berlin to Warsaw, from Budapest to Moscow. This is the underlying reason why regimes, more concerned with practical results than ideological considerations, have to make long-term concessions to private business.

Blue jeans revolution, Page 6

Budapest-Bucharest tensions

BY OUR OWN CORRESPONDENT

VIENNA, Feb. 22.

A THREE-DAY visit to Budapest by Mr. Stefan Andrei, the Secretary of the Central Committee of the Romanian Communist Party, last week has failed to improve Hungarian-Romanian relations which have lately been subjected to growing strains. Though Mr. Andrei held talks with Hungarian party leader, Mr. Janos Kadar, the communique issued after the visit stated only that discussions took place in a "comradely atmosphere." The lack of any reference to an agreement and even of the usual approving description of the talks such as "friendly" or "cordial" is regarded as significant. The Romanians surprisingly put out a different communique after Mr. Andrei's talks with the Hungarian party chief. This claimed that Mr. Kadar sent "cordial greetings and best wishes" to the Romanian President, Mr. Nicolae Ceausescu, in response to the latter's greetings. The Romanian version also stressed the mutual desire of the two parties to intensify political, economic and friendly relations. By the time the visit ended, however, the Romanians also adopted the Hungarian tone and the final communique was identical both in Budapest and Bucharest.

Meanwhile the Romanian Press has levelled several sharp attacks against Hungarian historians for distorting the past of the Romanian nation with special emphasis on the controversial views about the past of the disputed region Transylvania. In reality the conflict is about the position of the 2m.-strong Hungarian minority in Romania. The Romanians suspect that the Hungarians have launched a general campaign and regard this as a "blatant interference" into Romanian internal affairs. The Hungarians claim, however, that their Press has refrained from any politically motivated attacks and Romania has not been mentioned or singled out by name. However in Budapest one of the mass circulation weeklies, Uj Tukor, has just begun a series on Transylvania and the life of the Hungarians living in that area.

Polish assurance to Dell on Trade policy

BY CHRISTOPHER BOBINSKI

WARSAW, Feb. 22.

POLAND'S PRESENT difficulties in exporting to the West are not leading to any special shift in foreign trade policy away from Western countries and towards Comecon, Polish foreign trade minister Mr. Jerzy Olszewski said here to-day.

This statement comes after two days of talks with British Trade Secretary Mr. Edmund Dell during which the British delegation were assured that there had been a "misunderstanding." Questions on future Polish trading policies were raised after Polish press articles had criticised protectionism in the West and had stated that the most effective defence against this was further integration within Comecon.

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OVERSEAS NEWS

Namibia incidents suggest new war pattern

By Quentin Peel

JOHANNESBURG, Feb. 22.

SEVEN South Africans and at least ten SWAPO guerillas have been killed on the border between Namibia (South West Africa) and Angola in the past four days, according to announcements by the South African Defence Force (SADF). The incidents reflect a new pattern in the sporadic guerilla war on the Namibian border, with higher casualties on both sides coming from fewer incidents.

To-day's communique from the SADF said that two South African soldiers had died in follow-up operations to a guerilla attack on Sunday, in which two other soldiers were killed. Seven guerillas were killed in the follow-up operation, and the bodies of three more who had apparently died on Sunday were found, it added.

No clue was given in the announcement about the location of the clashes within the operational area, which runs for some 600 kms along the border, except to say that the follow-up took place within Ovamboland — not on the Angolan side of the border.

However, the communiqué repeated a South African warning to the Angolan Government "not to place its military bases in the southern part of Angola at the disposal of the terrorists," and pointed out that South African soldiers had crossed the border last week in a hot pursuit operation.

In the other week-end incident, two South African air force officers and a civilian attached to the air force were killed when the jeep in which they were travelling was fired on near the Zambian border with the Caprivi Strip.

Muzorewa settlement doubt report

Bishop Abel Muzorewa, the leader of the United African National Council in Rhodesia, was quoted to-day as saying the internal settlement talks in Salisbury had not achieved a settlement and could still collapse, Reuter reports from Lusaka.

"There is no settlement in Rhodesia," the Bishop was reported to have said in an interview with a Times of Zambia correspondent. "Settlement talks are going on and there are issues that have been agreed upon. There are more crucial issues that have not been agreed upon that could influence the conference one way or the other—or cause it to collapse completely," he was quoted as saying.

Libya airliner halt

The Carter Administration has ordered a halt to U.S. maintenance of Libyan military cargo aircraft and blocked the export of two Boeing 727 airliners to Tripoli, the State Department said yesterday, Reuter reports from Washington. The Department said that continuing Libyan support for international terrorism made inappropriate the further supply of U.S. military equipment and services.

Angry Sadat withdraws recognition of Kyprianou

BY ROGER MATTHEWS

CAIRO, Feb. 22.

AN ANGRY and emotional President Sadat said to-day that Egypt had withdrawn its recognition of Spyros Kyprianou as President of Cyprus. Speaking to the commandos who survived the ill-fated raid at Larnaca airport on Sunday, Mr. Sadat declared that he would not speak again to the Cypriot President until the two gunmen who killed an Egyptian newspaper editor on the island at the week-end had been handed over.

Earlier Mr. Sadat had walked in the funeral procession for the 15 commandos who had been killed by Cypriot national guardsmen when they attempted to storm the Cyprus Airways DC-8 in which the two gunmen were holding 11 hostages and three crew.

Occasionally hitting the table with his fist, President Sadat demanded that Cyprus explain the reasons for "the treachery that cut down my sons." Decisions taken by Mr. Kyprianou had resulted in "the martyrdom of several of my sons, and he should now pay the price," said Mr. Sadat.

The Egyptian Government has already announced that it is withdrawing its diplomats from Cyprus and had asked the Nicosia authorities to remove their representatives from Cairo. However the staffs of both embassies were working normally to-day. Flights between the island and Cairo have been cancelled and all trade, commercial, and other links are to be reviewed.

Mr. Sadat's anger appeared to well up to-day as he spoke without notes, and was not aimed solely at the Cypriots. He also sharply attacked the Palestinians, stating that while they agreed to be hired as killers and terrorists it was Egypt that was defending their cause. "The Palestinians should know that Egypt will retaliate with ten blows to each one blow that it receives," he said.

Thousands of demonstrators at the funeral, many weeping and pulling at their hair and clothing, screamed "No Palestine after to-day," "Revenge, revenge," mixed in with anti-Cypriot slogans.

Atherton shuttle in Cairo

BY OUR OWN CORRESPONDENT

CAIRO, Feb. 22.

MR. ALFRED ATHERTON, the U.S. special envoy for the Middle East, arrived this afternoon in Cairo from Jerusalem where he had been holding talks with the Israeli Government. Mr. Atherton is undertaking a shuttle between the two countries in an effort to produce agreement on a declaration of principles that would allow a resumption of peace negotiations.

However, Mr. Menahem Begin, Israel's Prime Minister, offered little hope of progress when he stated to-day that his Government had not change its stance on a declaration of principles. As Egypt is waiting for some sign of Israeli movement and feels that its position on the removal of Jewish settlements from occupied Sinai is incapable of compromise, the immediate outlook for Mr. Atherton's success is bleak.

David Lennon reports from Tel Aviv: A group of 56 Israeli Arabs has issued a public statement calling for the creation of an independent Palestinian state.

"The Palestinian problem is at the heart of the Arab-Israel conflict and the fundamental solution must begin with securing the right of self-determination of the Palestinian people and the establishment of its independent state," the statement argued.

Reuter reports from Moscow: Syrian and Soviet leaders to-day ended two days of talks which apparently concentrated on ways in which the Kremlin can help Arab opponents of Egypt's initiative towards Israel. Tass news agency, reporting on the meetings between Mr. Brezhnev and President Assad of Syria, said the aim was to strengthen Soviet-Syrian co-operation in all fields and to consolidate "universal peace and security of the peoples."

Western diplomats said the wording, coupled with the fact that the Defence Minister, Dmitry Ustinov, attended the discussions, strongly suggested that Soviet military aid to Syria was among the topics.

Japan's industry grew faster in December

BY CHARLES SMITH

TOKYO, Feb. 22.

JAPAN'S industrial production index rose in December by 0.9 per cent. over the previous month and by 4.1 per cent. over the previous year, the Government announced to-day. The rise came as a surprise as advance estimates had pointed to a small decline in the month-to-month trend.

Part, though not all, of the difference seems to have been due to a change in the base on which the index is calculated from 1970 to 1975. The change (which takes place every five years) means that the weighting of industries making up the index also has to be altered, resulting in this case in the inclusion of some new industries, for example video tape recorders, which have shown high growth since 1975.

The Government is forecasting a further 1.6 per cent. rise in industrial production for January to be followed by a fall of 2.0 per cent. in February. In other words the index is continuing to see-saw in the same manner as last year. The first estimate of the behaviour of the index in March will become available next week.

Last year's 4.1 per cent. growth in industrial production was little more than one-third of the previous year's 11.1 per cent. growth. The index did, however, pass its previous historic peak in November last year, thus restoring Japanese industry to the level of output achieved on the eve of the 1973 oil crisis. No one is sure yet when industrial production will stop see-sawing and start to move steadily upwards.

● AP-DJ reports: Prime Minister Takeo Kukuda said Wednesday in a meeting with Japanese business and labour leaders that he would like to target Japan's economic growth rate in fiscal 1979 to the 6 per cent. level following a 7 per cent. rate pledged for fiscal 1978 starting from April 1, the Kyodo News Agency said.

Mr. Fukuda said in the meeting that the 7 per cent. growth projected for fiscal 1978 was viewed with high hopes both in Japan and abroad and reiterated his pledge to attain that goal.

He also said he would seek economic growth in the 6 per cent. range in fiscal 1979 to narrow the gap between supply and demand that was behind stagnant sales, sagging corporate earnings and rising unemployment, the agency said.

● Japan's vehicle production in January fell 8 per cent. to 679,734 from 738,785 in December, but rose 14.4 per cent. from 594,373 in January, 1977, the Japan Automobile Manufacturers Association said.

Peace wanted in Ogaden, says Barre

MOGADISHU, Feb. 22.

PRESIDENT Mohamed Siad Barre has said Somalia wants a peaceful solution to the Ogaden conflict with Ethiopia but the Somali guerillas must decide what territory they would accept as their own.

At a news conference last night the President stressed his country's desire for a peaceful solution to the war in the Ogaden, which he referred to as Western Somalia, but he said there were no mediation efforts at present. There had been no contact with the Ethiopians in the past two weeks, he said.

A senior official from the Italian Communist Party to-day ended a three-day visit to Mogadishu after delivering a message to the Somali leader from Moscow and from his own party's leader, Enrico Berlinguer, diplomatic sources said.

The sources said Sig. Gianni Giadresco conferred with President Siad Barre and the top ideologue of the Somali Revolutionary Socialist Party, Mr. Mohamed Aden Sheikh. The contents of the messages were not disclosed.

President Siad Barre told reporters last night the visit was not a mediation mission.

Reuter

ZAIRE'S SEARCH FOR OUTSIDE ASSISTANCE

IMF to take first steps

BY DAVID BUCHAN IN BRUSSELS

PRESIDENT MOBUTU of Zaire is hoping to get a little help from about 10 of his more influential friends. In a few weeks' time officials from Belgium, the U.S., France, West Germany, the U.K., Italy, Canada, Saudi Arabia, Iran and possibly Japan are expected to meet in Brussels to discuss the parts they might play in the Zairean President's plans to put his economy back on its rails.

The exact timing of the meeting will depend on how speedily Mr. Mobutu can come up with a detailed reconstruction plan. But after talks earlier this month in Brussels with the Zairean President and his Ministers, the Belgians, Zaire's former colonial masters who are co-ordinating the aid effort, are optimistic.

The motives behind this wide initial response to President Mobutu's request for help are not wholly altruistic. Most of the Western or pro-Western countries concerned recognise not only the importance of Zaire's mineral and raw material resources, but also its key position in the heart of Africa. To those worried about Communist inroads in the Horn of Africa or Angola and Southern Africa, President Mobutu's hard line anti-Communist regime deserves support.

In addition, Western Governments and private banks have a strong interest in Zaire being able to start repaying the money they have lent it. Zaire's total external debt is put at $3bn. But as outsiders, and now even President Mobutu see it, Zaire's economic problems stem less from lack of resources than from gross mismanagement of its existing resources.

This is where the International Monetary Fund comes in. All of Zaire's international "friends" are insisting that the first steps in the tricky political process of improving the management of the economy should be left to the IMF. In particular, they make President Mobutu's meeting of IMF conditions for a further standby credit, and another "stabilisation" plan for 1978, a precondition of any help they may give. An IMF team will be in Kinshasa at the end of this month to negotiate these conditions.

Equally important for the longer term, President Mobutu agreed during his recent Brussels talks to ask for an IMF official to take the No. 2 job in the Zaire Central Bank. Details of the appointment have yet to be agreed, but there is a precedent. Until 1970 the Director-General of the Zaire National Bank was generally an IMF official, with direct control over the use of foreign exchange, import licences and so on.

Zaire's economic problems are not entirely of its own making. Copper has traditionally provided nearly 70 per cent. of its export earnings and the market price has fallen drastically, from nearly £1,350 a tonne in May 1974 to just over £620 a tonne now.

Both Zaire and Zambia are now arguing in favour of a 15 per cent. production cut by copper exporting nations. Mines in Zambia are suffering losses at existing price levels and Zaire, its problems exacerbated by transport difficulties, is almost certainly in the same boat.

However, the seeds of Zaire's economic difficulties antedate the 1974 fall in the copper price. Agriculture was sorely neglected. There was uncontrolled and excessive external borrowing. Nationalisation measures in 1973-1974 were ill-conceived and poorly implemented. All of these errors point up a perennial problem in Zaire's economic development—the lack of any strong and co-ordinated management structure.

In spite of the fact that the balance of payments deficit was, under the first stabilisation plan worked out with the IMF for 1976, brought down from $362m. in 1975 to $110m. in 1976, foreign reserves amounted to only $72m.-worth by the end of 1976, or less than one month's imports. A basic problem is that a high proportion of foreign exchange earned is never returned to Zaire (by exporters), most of it going probably into foreign Zairean-owned bank accounts or real estate.

Lack of foreign exchange to buy spare parts and essentials like oil has hit a wide number of sectors. Transport is now one of Zaire's major problems, particularly because the country has been unable to use the Benguela railway to transport copper from Shaba to the Atlantic ever since the Angolan civil war.

The Zaire river port of Matadi gives the country an outlet to the Atlantic, but the mixed rail and river transport system serving the port is cumbersome and, according to official Zaire statistics, this system carried 10.6 per cent. less traffic in the first nine months of last year compared to the same period of 1976.

Zaire's construction industry suffered—down 10.9 per cent. in the first nine months of 1977—because cement production was in turn held up by a shortage of imported gypsum to make it and sacks to put it in. Both manufacturing and commerce declined further last year, again because of the squeeze on what foreign exchange remains available.

President Mobutu is now reversing the 1973-74 nationalisation plan and encouraging foreign companies and investment to return. In his speech last November he even said that ONATRA, the State-owned transport company, and Air Zaire could no longer consider that they had a monopoly on river and air transport inside the country, and that any foreign company which thought it could do better was most welcome to come and try.

Under "dezaireanisation" decrees, foreigners are being offered back 100 per cent. of their former holdings (though they must sell 40 per cent. back to Zairean interests within five years). This mostly affects Belgians, and it is reckoned that some 70-75 per cent. of all Belgian companies concerned have in one way or another taken the offer up. Some companies, like the giant Belgian holding company, Societe Generale de Belgique, have used their economic muscle to get good terms. Since 1976 it has gone back into copper, marketing, shipping cement, banking and agriculture in a big way.

President Mobutu

Smaller companies, particularly in the agricultural area, have often returned to find their former holdings in a mess. Agricultural production has suffered badly, and Zaire now has to import a considerable amount of food. In the third quarter of last year, for instance, coffee exports fell by 59 per cent., rubber by 54 per cent. and exports of palm oil—in spite of the fact that Lever Brothers is again back in this sector—dropped by 60 per cent. on 1976.

The IMF clearly has a hard task. So far Zaire has tried but consistently failed to meet its targets. The 1976 budget deficit was $383m., when IMF officials wanted to confine it to $73.5m. Credit, according to Zairean estimates, grew last year by some $294m., when $196m. was the target written into the year's stabilisation plan.

But if the IMF can lend its aura of respectability to Zaire's economic management — and President Mobutu now seems willing to let it—then foreign governments are willing to do their bit. In the short term, this is likely to consist of technical aid and expertise. For the moment no foreign government or private bank wants to commit more hard cash to Zaire until President Mobutu shows them that they would not be throwing good money after bad.

K. K. Sharma in Delhi previews India's state elections

Tough test for three parties

IN WHAT could be a crucia[l] election over 85 million voter[s] go to the polls in six states i[n] India on Saturday to ele[ct] their legislatures. Three [of] these—Maharashtra, Karnatak[a] and Andhra—are in the sout[h] and the others—Assa[m], Meghalaya and Arunachal—i[n] the east. The elections hav[e] taken on an importance out [of] all proportions to the size [of] the exercise largely because [of] the second split in the Co[n]gress party engineered la[st] month by Mrs. Indira Gandh[i].

Mrs. Gandhi has fielded a[n] impressive 829 candidates f[or] her New Congress (I) Party [—] the "I" standing for Indira [—] for the total of 1,022 seats. T[he] Janata party has put up 8[..] candidates, and the offici[al] Congress—Mrs. Gandhi's ma[in] rival—911. In her barnstorm[ing] tour of the six states [in] the past week Mrs. Gandhi h[as] bitterly attacked the Congre[ss] Party from which she h[as] broken because of what sh[e] alleges is its conspiracy wi[th] the Janata against her.

The stakes in the election are [the] highest for the Congress [be]cause if it fares badly it cou[ld] mean its decimation. The pa[rty] lacks a nationally acceptab[le] leader and is on the defensi[ve] in the face of Mrs. Gandh[i's] onslaught. Its leaders are [try]ing hard to retain their p[osi]tions in their own stat[es], notably Mr. Y. B. Chavan [in] Maharashtra and Mr. Brahm[an]anda Reddy in Andhra.

For Mrs. Gandhi herself, [the] results will determine wheth[er] she is to remain a major p[oli]tical force. This means much [to] her since she has successfu[lly] politicised the charges of c[or]ruption and abuse of po[wer] against her. By making h[er]self the main issue, any show [of] strength in even one of [the] states by her party will m[ean] that the people have accep[ted] the line she has persister[ntly] pushed over the past [few] months.

For the Janata party, the res[ults] will decide whether or no[t it] will continue to suffer [the] handicap of being a natio[nal] party without a significant [fol]lowing in the south. Its rep[re]sentation in parliament [is] almost entirely from the no[rth] where it controls six states, [and] it must make a dent in [the] south to win a national im[age]. Unfortunately for the Janat[a it] has failed to make allian[ces] with local parties and is go[ing] it alone in all the south[ern] states, helped only by the [fact] that the Congress parties [are] warring against each other.

The Janata's handicap is [that] the electorate is not arous[ed] this time in the way it [was] last March when Mrs. Gan[dhi] was bundled out. On [the] other hand, there is a gr[ow]ing impatience with Jana[ta] homilies and its inability [to] get to grips with the count[ry's] problems. Inevitably ther[e is] a hankering for a str[ong] leader, and Mrs. Gandhi [has] won much sympathy for [her] undoubted fighting spirit [in] spite of her dictatorial e[mer]gency rule and the relevat[ions] before the Shah Commissi[on] inquiring into charges of ab[use] of power. From the poin[t of] view of the elections, [the] Shah Commission's daily h[ear]ings have become coun[ter]productive for the Janata.

For someone rejected so tot[ally] less than a year ago, [Mrs.] Gandhi has demonstrate[d a] remarkable capacity stil[l to] draw crowds although she [has] also been stoned. She has b[een] campaigning vigorously as [the] champion of the poor [and] backward sections, blam[ing] her former cabinet collea[gues] and now her political ri[vals] for the excesses of the em[er]gency and pointing to m[any] of its "gains." If Mrs. Ga[ndhi] fails, she will have gone d[own] fighting after making [sure] that her Congress oppon[ents] are tarnished.

There have been many desert[ions] from the Congress. The Ja[nata] party has come under at[tack] from its own members [for] the welcome it has give[n to] Congress defectors in [the] southern states where it fa[iled] to make electoral adjustm[ents] with its former Marxist [part]ners and the influen[tial] peasants' and workers' p[arty] in Maharashra.

The picture that has emer[ged] is, therefore, blurred. [The] Indira Congress is a dis[tinct] entity, much feared by [the] Official Congress and [the] Janata. The Official Cong[ress] on the other hand is in da[nger] of being indistinguish[able] from the Janata party. Ja[nata] has, in fact, taken on [the] former role of the Cong[ress] particularly in the sout[hern] states where its candid[ates] were Congressmen not so [long] ago.

In the absence of commun[al] [is]sues in all states what will c[ount] are personalities, and [Mrs.] Gandhi emerges as a h[eavy]weight amid warri[ng] Jananta leaders and Cong[ress]men with local influence. [If] the electorate is not r[eally] aroused, local satraps [will be] having a field day and t[radi]tional factors like caste c[ould] well be decisive.

It is very much an open [ques]tion and it remains to be [seen] whether there is a clear g[ain] for one of the three [major] parties.

.S. miners reject call for nding arbitration

EWART FLEMING

NEW YORK, Feb. 22.

TED MINE WORKERS union to-day rejected al by the industry's garm, the Bitu- Coal Operators Associa- DA), to submit the 79- U.S. coal dispute to voluntary arbitration.

ely, Mr. Ray Marshall, ur Secretary, disclosed had scheduled a meet- the UMW negotiating this afternoon.

rshall indicated that he to arrange a meeting ad industry and labour rs for 7 p.m. this even- it is not yet clear both sides have agreed at the end of such a bitter dispute with a settlement on which the men could not vote.

Indeed the decision by the BCOA to offer such a method for settling the strike was widely seen as an attempt to present themselves to the Carter Administration as ready to take an initiative and think positively about the dispute.

Yesterday the employers in effect rejected any move to use a settlement between the UMW and the independent Pittsburgh and Midway Coal Company reached over the week-end as a pattern for an industry-wide settlement. There are elements in that agreement which some BCOA companies feel are not strong enough to guarantee work force stability which they are hoping to secure in the industry-wide contract.

ion's decision to reject d to submit to binding n is hardly surprising. urces suggest that its aders could not go back rank and file members

The outlook for an early settlement continues to be clouded therefore. There is little sign of common ground emerging now and the Carter Administration is no doubt anxiously wondering how much longer it can postpone overt intervention. None of the alternatives the Administration has canvassed (ranging from invocation of the Taft Hartley laws to seizure of the mines) is attractive.

The one bright spot in the picture is a report published yesterday by House of Representatives' Speaker Mr. Thomas P. O'Neill. After a meeting with the President Mr. O'Neill told reporters that the President believed it would take 25 days before the strike created a national economic emergency.

While this generalisation may be true nationally, private forecasts paint a gloomier picture of local power problems. Chase Econometrics, the U.S. economic consultancy, has said in a special coal strike analysis based on a statistical study, that, if the strike is not settled by March 15, the hard-hit states such as Ohio, Indiana and West Virginia can expect half their industry to be shut down because of power problems.

The Chase study, however, says that the overall impact of the strike on the economy will be shortlived, arguing that the national economy traditionally recovers quickly from labour disputes.

Costa Rican new leader 'will expel' Vesco

CARACAS, Feb. 22.

THE COSTA Rican president-elect, Sr. Rodrigo Carazo, is reported to have said that the U.S. financier, Mr. Robert Vesco, who is a fugitive from U.S. courts, will be expelled when the new administration takes office.

The four-party Unity Coalition of Sr. Carazo defeated the governing National Liberation Party in an election on February 5. Sr. Carazo is due to take office next month.

Observers believe that the defeat of the incumbent party was connected with reported links between it and Mr. Vesco, who was accused of illegally taking some $220m. from the Investors Overseas Services group.

Sr. Carazo is reported to have said: "When legal proof is gathered, I will proceed to expel him." He added, however, that the financier would not be extradited to the U.S.

Permission for Mr. Vesco to become a resident of Costa Rica was granted in 1972 by the NLP President, Sr. Jose "Pepe" Figueres, and maintained during the four-year term (which will end next month) of President Daniel Oduber, also of the NLP.

IPS

PANAMA CANAL DEBATE IN THE SENATE

Muddy waters surround Torrijos

BY DAVID BELL IN WASHINGTON

JUST AS the White House feared, the long debate about the Panama Canal treaty has now become bogged down in allegations about the possible involvement of General Omar Torrijos, the Panamanian leader in drug trafficking operations run by his brother.

Last night the Justice Department released details of a six-year-old indictment issued in New York, but not publicised at the time. It alleges that Sr. Moises Torrijos, the General's brother, smuggled 150 lbs of heroin into the United States on board a commercial airliner.

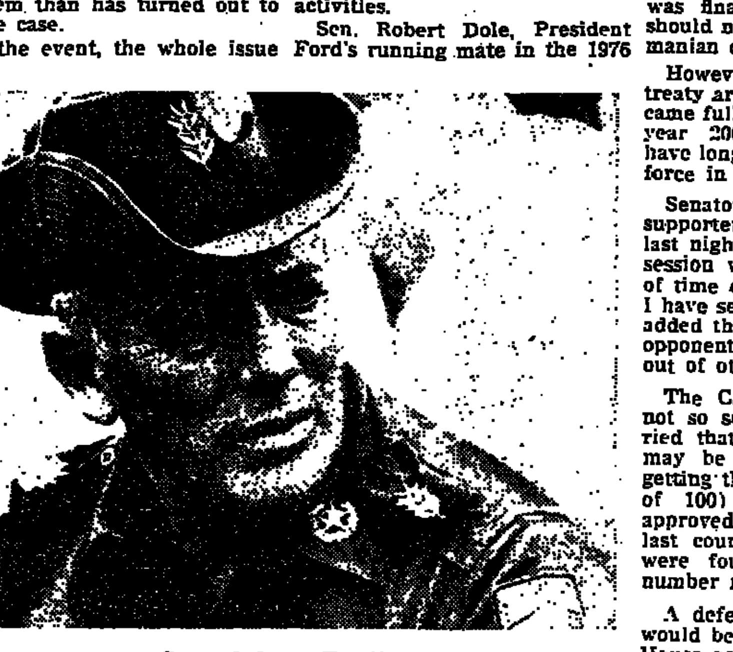
Earlier, the Senate Intelligence Committee conducted a day of secret hearings in a locked Senate meeting room and issued what it called a "sanitised" version of its investigation into the Torrijos family. The committee concluded that Gen. Torrijos "probably" knew about his brother's activities but that there was no evidence actually to prove this.

The State Department had urged both the Administration and Congress not to release this information on the grounds that this kind of "trial" of a foreign Head of State would play havoc with U.S. relations with other countries in South America and confuse talks on the treaty.

However the White House reluctantly decided to publish the charges before they were leaked in a different form and amid suggestions that there was more to them than has turned out to be the case.

In the event, the whole issue of the Torrijos' possible involvement in drugs has been exploited by the opponents of the treaty. They have been arguing that the U.S. cannot, and should not, trust the word of a leader who has turned a blind eye to his brother's alleged criminal activities.

Sen. Robert Dole, President Ford's running mate in the 1976 Presidential election, said last night that the whole affair demonstrated how unwise the U.S. would be to trust anything Gen. Torrijos said. In Las Vegas, Governor Ronald Reagan, another standard bearer for the Right-wing, said that the case was final proof that the U.S. should not "give in" to a "Panamanian dictator like Torrijos."



General Omar Torrijos

However, supporters of the treaty argued that by the time it came fully into operation—in the year 2000—Gen. Torrijos will have long ceased to be a political force in Panama.

Senator George McGovern, a supporter of the treaty, observed last night that yesterday's secret session was "the biggest waste of time during the 15 years that I have served in the Senate." He added that it was proof that the opponents of the treaty have run out of other ammunition.

The Carter Administration is not so sure of this and is worried that publicity of this kind may be enough to prevent it getting the 67 votes needed (out of 100) to have the treaty approved by the Senate. At the last count, the treaty's backers were four votes short of the number needed.

A defeat on the Canal treaty would be regarded in the White House as a major defeat for the President, who has lobbied hard for it. Mr. Carter's aides say that this Administration badly needs some sort of "victory" after a year of rebuffs from Congress. It also needs to establish that it, and not Congress, makes foreign policy.

xtron used codes in nian business deals

JR OWN CORRESPONDENT

WASHINGTON, Feb. 22.

IES FIGHTING for contracts in the Middle loy many ruses to keep npetition guessing but, none has been more l than one used by Tex- ore it won a $500m. order in Iran.

of the elaborate code 'extron's Bell helicopter y have seeped out of e Banking Committee, as been investigating s that Mr. William extron's former chair- the chairman-designate Federal Reserve, may wn about possible pay- Bell to key Iranian

nothing has emerged dict Mr. Miller's testi- arlier hearings. He has owing that an Iranian chief, now dead, was ilder in the company was using as its agent n and which received n in commission. This the Committee decided Mr. Miller on Tuesday. ompany officials will Monday.

its inquiries, Commit- have come across the l by the company. It o with Fish. The Shah m as the "Pike," the manager of Bell's agent as "Snapper," the Shah's chief Procurement Officer as "Salmon" and another key Iranian as "Trout." Whenever Bell officials went to Iran they were described as being "at sea."

The list of codes was enshrined in a company code book and gave rise to some strange messages, which no doubt perplexed any of Bell's competitors who may have been listening in. According to the Committee one message read: "We agree with Trout's recommendation that Bass will remain in background until called in." (Bass was the name for the Bell Company itself.)

On another occasion "Trout and Skate" assured "Bass" that all was still well and they were joined by "No. 1." The latter was the codename for the late General Mohammed Khatemi, Iran's Air Force Commander, who was also a part owner of Air Taxi, the company that Bell used as its agent.

The "Pike," alias the Shah, was apparently much taken at one stage by Bell's films of its helicopters. And it was the "Pike" who made the ultimate decision to buy the helicopters. It was, no doubt, something of a relief to "Bass." It could then at least abandon the code book.

ency's future in doubt

R OWN CORRESPONDENT

NEW YORK, Feb. 22.

ACE of heavy criticism performance since it ed in 1974, the Com- tures Trading Commis- fC) in the U.S. is urg- ess that it be kept in for a further six years. ncy was set up in 1974 ee the self-regulatory s then operating in modity futures market, velop and enforce new s.

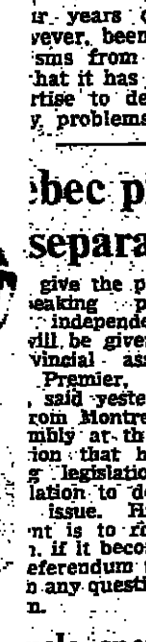
he terms of its original the agency was to get approval for its operations by Congress

ur years of existence wever, been punctuated sms from the futures hat it has not built up rtise to deal with the y problems and, from outside observers, that it has not been forceful enough in dealing with the futures industry. Its handling of a number of scandals on the futures markets, a default on the potato market, for example, has been criticised.

The CFTC has also been embroiled in a dispute with the Securities and Exchange Commission, (SEC) which is responsible for regulating U.S. securities markets, over who should oversee the new securities futures (such as interest rate futures), which some markets are offering.

The SEC has suggested that it take over the regulation of these markets adding that, if this proves too difficult, it is ready to assume all the responsibilities of the CFTC.

bec priority separation



give the predominantly eaking province of independence from will be given priority in vincial assembly, the Premier, M. René said yesterday, Reuter rom Montreal. He told mbly at the start of a ion that he would be g legislation to allow lation to decide on the issue. His provincial nt is to re-introduce a , if it becomes law, will eferendum to be held in n any question, including n.

uela spending

nezuelan Cabinet has r cut in spending after dropped because of the n oil production, officials writes AP-DJ in Sr. Diego Arria, Minister mation, told reporters isters were asked at a meeting on Tuesday to roposals for spending s ready by the next meeting, scheduled for week in March. The oun of the Budget cuts specified. The Govern- nounced that measures ude a freeze on filling t filled by February 28 n on the creation of new Government services.

missiles deployed

R has started to deploy h, advanced, land-based apable of hitting the U.S., ice sources here said, eports from Washington. 6 is the lightest of the y types of Soviet inter- tal ballistic missiles firing position since late They are replacing older accurate weapons. The cent U.S. ICBM, the an III, was deployed 1970 and 1975.

COMPANY NEWS

Hawley Hale drops bid arshall Field; Quaker ay be freed from anti- iit; Lockheed ahead —

Gas conservation 'has failed'

An analysis of residential consumption of gas in 19 U.S. states indicates that "conservation efforts to date have failed," Government researchers reported, AP-DJ reports from New York. Sharp increases in the price of gas have had almost no effect on its use for home heating, the researchers said. They found practically no changes in recent consumption patterns which could not be explained by differences in the weather.

The researchers said they discovered that gas customers in New York, New Jersey and Pennsylvania use, per capita, about 20 per cent. more gas than do customers in the 16 other states studied, even after the figures were adjusted to take weather differences into account. If the level of gas consumption at residences in those three states could be reduced to the average level in the others, about 100,000bn. British thermal units of energy would be saved each year, enough to meet the home-heating needs of Minnesota, the researchers said.

Argentine closure

General Motors announced yesterday that it had closed its Argentine assembly plant and laid-off 600 workers until March 15 because of declining sales, AP-DJ reports from Buenos Aires. The action, which took effect on Monday, was the latest symptom of a business recession in Argentina. The same day Sudamex, a major textile manufacturer, suspended 1,045 workers at its Buenos Aires plant.

Chicago paper to end

The Chicago afternoon newspaper the Daily News will cease publication on March 4, according to an announcement yesterday by its publishers, Marshall Field, writes John Leech in Chicago. The 102-year-old newspaper has lost nearly $22m. since 1974 and is currently losing $11m. a year. Since closure plans were revealed some months ago, a number of pressure groups have tried to persuade the multi-million dollar department store company to keep the paper open. Marshall Field will continue to publish the Daily News' morning companion, the Sun-Times.

WORLD TRADE NEWS

Freight surcharge on N. Atlantic rescinded

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

AN EMERGENCY freight surcharge on North Atlantic shipping routes imposed to cover owners' losses during last autumn's strike by U.S. East Coast longshoremen, has been rescinded following strong pressure from shippers.

The North Atlantic Westbound Freight Association, which represents nine lines, issued a notice yesterday saying that the decision had been taken after "full consideration to all relevant factors." It added, however, that the surcharge was "legally valid and economically justifiable."

Although there was no parallel announcement yesterday from the freight conference governing shipping between mainland Europe and North America, shippers were confident that this surcharge also would not be implemented.

Mr. Hans Anderson, chairman of the Continental conference, said a decision would be taken before the end of the week.

When the surcharge was announced last December, it was put at 10 per cent., a figure which was later cut to 6 per cent. It would have been applied from next month.

The British Shippers Council said last night it was delighted with the outcome and had withdrawn its request to members to cancel contracts with the conference lines.

Shippers had opposed the surcharge on the grounds that the strike was directed against the owners, who should have met the financial losses involved. In addition, shippers felt these losses could have been insured against, although the shipowners say that such insurance in these trades would be far too expensive.

The conferences have refused to give public figures on what the strike cost them, although during the controversy over the surcharge they have employed a firm of chartered accountants to produce an independent report on this subject.

Globtik buys from Japan

BY OUR SHIPPING CORRESPONDENT

MR. RAVI TIKKOO signed an order in Japan yesterday to build an 88,000-deadweight-ton crude oil carrier and confirmed that he intends to order two similar vessels shortly.

Mr. Tikkoo, whose Globtik Tanker companies have also recently reaffirmed letters of intent for three nuclear-powered 800,000 d.w.t. supertankers from a United States yard, placed the contract with Ishikawajima-Harima Heavy Industries.

The vessels, to fly the British flag, will be designed with a shallow draft for service to ports in the U.S.

Mr. Richard Hawksley, managing director of Globtik (U.K.), said last night that negotiations with a big oil company for a charter for the new ship were close to completion. "Without a charter the deal would not be going ahead," he said.

● Freighters operating under "flags of convenience" will make up two-fifths of the world's fleet by 1986 if current growth trends continue, West German statistics said on Wednesday, AP-DJ reports from Bremen.

ARAB COUNTRIES have decided to drop the Norwegian Aker shipbuilders from its blacklist. That has already resulted in a contract for two hotel vessels for Egypt, AP-DJ reports from Oslo.

The Institute for Sea Economics says tonnage of ships flying flags of convenience rose from 22m. to 109m. tons between 1965 and 1977, an increase from 13 per cent. to 28 per cent. of the world's cargo fleet. If the expansion continues at that rate, 40 per cent. of all freighters will be registered under flags of convenience by 1986, it said.

S. Korea looks to Europe

BY DAVID BUCHAN

BRUSSELS, Feb. 22.

PROSPECTS for increased EEC exports to South Korea will figure prominently in talks begun here to-day between Mr. Ting-Jin Park, the South Korean Foreign Minister, and top Brussels officials, as will the inevitable problem areas of South Korean imports into the Community such as steel, textiles and shoes.

The South Koreans have told the EEC Commission that they want a better balance of trade with the EEC, which last year was some $770m. in surplus to the Koreans. Last year some 60 South Korean industrialists and importers came to Europe on a buying mission, and EEC officials say South Korea now seems serious in wanting to buy more from Europe, an attitude they contrast with that of Japan. Mr. Park's visit is designed to underline Seoul's desire to diversify its trade away from its dependence on the U.S. and Japan.

South Korea is one of the steel supplying countries with which the EEC wants to negotiate a restraint agreement by the end of March.

Order for British Steel

BY DAVID CHURCHILL

THE BRITISH Steel Corporation has won a major order from South Korea to provide 7,000 tonnes of sheet piling for use in construction of an underground railway.

The order is the first time BSC has penetrated the Korean market and the Corporation is hoping that it will secure further orders following this initial success.

About 2,000 tonnes of the 7,000-tonne order has already been rolled at BSC's cargo fleet works in Teesside and the Scunthorpe plant will also be involved.

The order was won after a U.K. trade mission to South Korea organised by the North of England Development Council. It is due for completion by April 15.

BSC said yesterday that the piling, which has been used extensively in the U.K. and overseas for harbour installations, will be used over and over again during the construction of the inner Seoul underground system.

Further delay to decision on Europe's new airliner

PARIS, Feb. 22.

A DECISION on new European airliner plans is still awaited after high-level talks here by Mr. Eric Varley, Secretary of State for Industry.

Aerospatiale, France's State-owned aircraft company, was "cross-checking" its appraisal of the new 150-seat medium-haul project, Mr. Varley told a Press conference to-day but the French industry said the ball was now in the British court.

Mr. Varley spoke further with M. Fernand Icart, French Equipment Minister, and M. Marcel Cavaille, Transport Minister, this afternoon. He said Britain had undertaken to pursue discussions with prospective EEC partners before seeking transatlantic co-operation.

The French are pushing for an early decision on the medium-haul project based on Aerospatiale's A200 design. Britain has been reported to be ready to accept the French design in preference to a version based on the BAC 1-11, but only if it gets a 40 per cent. share in the £330m. new aircraft.

French sources attributed the negotiating delays partly to the fact that the A200 uses two ten-tonne CFM56 engines, developed by Snecma of France with General Electric of the U.S.

The decision on the new airliner is closely linked to the participation Britain is expected to take in the next European Airbus development, the B10. Britain currently provides only the wings of the Airbus, essentially a Franco-German venture.

Britain in $29m. contract

BY CHARLES SMITH

TOKYO Shibaura Electric (Toshiba) of Japan and Boving of the U.K. have jointly won a $29m. contract for the supply of hydro-electric power generating equipment to Ghana's Volta River Authority, it was announced to-day.

The contract is the first that Toshiba has won with a British partner although similar joint tenders have been made before. Toshiba will be supplying generators for the four 40,000 kW hydro-electric power units covered by the contract and Boving will supply turbines.

The value of the contract breaks down roughly 60-40 between Boving and Toshiba with the British company taking the larger portion.

Toshiba says it is company policy to undertake joint tenders with European companies where possible as a contribution to reducing trade friction between Japan and Europe.

Ford-Japan parts talks

Toyo Kogyo, makers of Mazda cars, hope within two months to sign a multi-million dollar contract for transmission and axle parts for 1980s Ford small passenger cars made in the U.S.

HUNGARIAN TRADE

Blue jeans revolution

BY PAUL LENDVAI, RECENTLY IN BUDAPEST

OF ALL the 500-odd joint ventures Hungary has concluded with Western companies, an agreement between Levi Strauss, the U.S. producer of blue jeans and the May 1 Clothing Factory, is perhaps the most significant, making it the first East European country to manufacture the jeans under licence.

The factory, at Marcali, should turn out about 1m. pairs of denims per annum. According to the five-year agreement, production begins this year, with the U.S. company providing basic materials, patterns and machinery.

The deal has both domestic, political and foreign trade implications. On the one hand, demand for good quality jeans has been much greater than available supplies, creating a black market and encouraging smuggling. As one Hungarian journalist put it: "What utter nonsense that a piece of clothing, rather cheap and fundamentally democratic elsewhere, has become a luxury article and a class symbol in our country."

At the same time, however, Levi Strauss will repurchase 60 per cent. of the output at Marcali and the co-operation will at a later date also involve the manufacture of suits.

But the details about the Hungarian-U.S. deal have even broader implications. According to the director of the plant, the average time needed in Hungary to finish a pair of trousers is now 50 to 65 minutes. As a result of the complete reconstruction of the plant and the know-how supplied by the Americans, a pair of denims will be manufactured in 30 and later in 24 minutes.

Yet even after all this has been done the Hungarian plant will still reach only half of the productivity of Levi Strauss in San Francisco where a mere 14 minutes are enough to finish a pair of jeans.

The Hungarian government and the ruling Communist Party have broken with the previous practice of blaming primarily or only tariff and quota discrimination in the West for the growing imbalance in external trade. After a two-year-long period of debates and preparations, the Central Committee of the Communist Party has just given the go ahead signal for a series of measures to create the domestic conditions for a sustained export drive.

As a first step, producer prices were revised upwards on January 1 coupled with a reduction of budgetary subsidies. Since the State enterprises cannot pass the higher production costs to the consumer, they are forced to improve efficiency. New wage regulations should provide a greater incentive to cut internal labour costs.

More than perhaps in any other East Bloc country, Hungary's economic growth depends on foreign trade. The export element approaches currently almost 50 per cent. of the national income.

About one-third of the industrial output is shipped abroad with the proportion reaching 50 per cent. in ten key branches, such as pharmaceutics, aluminium, telecommunications, instruments, transport equipment, footwear, animal farming, poultry, fruit and tin industries.

In his speech before the central committee, Mr. Karoly Nemeth, the Secretary in charge of economic affairs pointed out that during the past 15 years exports have been rising twice as fast as output. This reflects the excessive degree of dependence on foregin markets.

Since the jump in the prices of imported fuels, Hungary has been badly hit by the deterioration in its terms of trade. According to estimates, Hungary has to spend between one-fourth to one-third of the growth in national income to offset the increased deficit.

In 1974-75 alone the worsening of the terms of trade cost the country, according to official figures, about 34bn. forint (some £1.5bn.). After a slight improvement in 1976, further deterioration followed in 1977 and continued worsening is predicted for this year.

Faced with a growing imbalance, the plan for 1978 projects a rise of 13 per cent. in exports to the West but only a 5 per cent. increase in imports. Though Hungary does about 60 per cent. of its trade within Comecon, with the Soviets alone accounting for one-third, it is now openly stated that for all the long-term advantages of Comecon integration, imports from the West will have to be increased rather than reduced.

The most important policy aims are the stopping of the production of unprofitable products and the increase of really competitive goods coupled with appropriate shifts in the industrial production structure.

Thus it is estimated that between 10 to 25 per cent. of the industrial manufactures should no longer be produced and that at present only 15 per cent. correspond to world standards.

Meanwhile there has been a spirited debate in the columns of Figyeloe, the economic weekly, as to whether the main emphasis should be on increasing exports or on import substitution. It was revealed for example that Hungarian export earnings are on the average 20 to 30 per cent. below the ruling world market prices for the given manufactures. With respect to chemical engineering or machine tools, Hungarian exporters can get at best only 55 per cent. to 65 per cent. of the world market prices.

At a recent round table discussion it was stressed that the closer domestic prices reflect world market prices, the more profits of enterprises reflect real differences in productivity, the stronger is the stimulus to produce modern and competitive products. At the same time however, no one nurtures illusions as to the time needed to achieve such a realistic price structure.

Under these circumstances, the emphasis is on better cooperation and profit-sharing between producers and foreign trade enterprises, coupled with a new scheme of export credits worth 45bn. forint during the current Five Year Plan.

N. Zealand attacks protectionism

BY CHRISTOPHER PARKES

NEW ZEALAND'S efforts to revive its enfeebled economy are being frustrated by protectionism in all its main markets, Mr. Duncan MacIntyre, NZ Agriculture Minister charged in London yesterday. And he accused Europe, Japan and the U.S. of applying double standards in their trading policy.

He told the Royal Commonwealth Society that New Zealand had run up against "the walls of agricultural protectionism justified by the shibboleth of self-sufficiency" wherever it went to sell its produce.

This had damaged his country's drive to expand sales in existing markets and open up new outlets.

"So far as manufactured goods are concerned there is a general recognition of the need for competitiveness, of the benefits of specialisation and of the need for the free flow of products across national borders," he said.

But in the case of agricultural products—New Zeland's principle source of foreign exchange—there was no such liberalism, Mr. MacIntyre said.

Referring pointedly to the EEC farm policy, he commented: "It is looked upon as acceptable to 'fix' the market in order to ensure that the incomes of farmers are protected, without much regard for the interests of the consumer."

He was worried mainly about "disquieting" plans in Brussels to introduce a marketing policy to govern mutton and lamb. "What concerns us is that a Community régime for lamb would almost certainly force up the price the British consumer has to pay," he warned.

"Inevitably this would take its toll on levels of consumption, and our share of the market would surely shrink."

New Zealand's dairy exports to Britain have already shrunk markedly since the U.K. joined the Community in 1973 and there is growing pressure—notably from Ireland—to drive NZ suppliers out of the British butter market altogether.

"The point I want to underline is that Britain is still New Zealand's major trading partner. You remain our largest dairy market, and notwithstanding the degree of diversification we have accomplished, our dairy and sheep products continue to provide over half New Zealand's total export earnings."

Garland begins U.K. talks

FINANCIAL TIMES REPORTER

AUSTRALIA'S MINISTER for Special Trade Representations, Mr. Victor Garland, began a visit to the U.K. yesterday.

Mr. Garland will meet Mr. David Owen, the Foreign Secretary, Mr. Edmund Dell, the trade secretary, and the Agriculture Minister, Mr. John Silkin.

He expects his meetings to focus on discussions begun last year on ways to improve the trading relationship between Australia and the European Community. A major round of ministerial-level consultations is to be held later in the year on a series of formal trade proposals left by Australia with the EEC Commission and member states last October.

Mr. Garland, who is also minister assisting the Minister for Trade and Resources, has visited the U.S. and Canada and will be visiting Europe and the Middle East before returning to Australia. He leaves the U.K. on Friday.

EEC safeguard proposals under fire

BY REGINALD DALE

A KEY element of the EEC's negotiating position in the Tokyo Round of international trade talks comes under fire in a report published to-day by the Trade Policy Research Centre in London.

The report, by Mr. David Robertson, challenges the Community's proposal, strongly backed by Britain and France, that safeguard measures against disruptive imports should in future be applicable selectively rather than against all countries indiscriminately.

Mr. Robertson agrees that current safeguards procedures under Article XIX of the GATT have been inoperable, leading to a proliferation of "voluntary" export restraints. He argues, however, that the most-favoured-nation (MFN) principle guaranteeing non-discrimination must be maintained to ensure equal treatment.

Mr. Robertson calls for an international code to supplement Article XIX to safeguard the interests of importing and exporting countries alike. He suggests that public inquiries should be held to prevent importing countries abusing the concept of "serious injury" to justify safeguard action.

Fail Safe Systems for Trade Liberalisation, David Robertson, Trade Policy Research Centre, 1 Gough Square, London EC4 3DE, £2.

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HOME NEWS

Scotch duty down £28m.

BY KENNETH GOODING

THE Treasury's income from duty on Scotch whisky has fallen by £28m. so far this financial year, the Scotch Whisky Association said yesterday.

The association blamed duty increases—three in 21 months—which had raised tax on a bottle of Scotch to £3.50.

The impact had been felt on total industry sales, which fell last year for the first time since 1969.

The U.K. is the second-largest market, accounting for around 15 per cent. of total world sales, and the effect could not be offset by exports—even though these reached record levels and were up 2 per cent. in volume and 17 per cent. in value to £512.6m.

"The setback in our second-largest market is a savage blow to the Scotch whisky industry.

"It should also be a chastening experience for the Government, for the law of diminishing returns has set in just as members of this industry predicted it would," said Mr. Adam Bergius, chairman of the Information and Development Committee of the association.

Revival

It would need a remarkable revival in sales during the last quarter of the financial year if the revenue for which the Chancellor hopes was to be raised.

Mr. Bergius called for "a more equitable system" of taxing alcoholic drinks, involving a fixed charge for each degree of alcoholic strength.

Such a duty structure would put the Government in a much stronger position to demand the end of discrimination against Scotch which exists in some Common Market countries, notably France, Denmark and Italy.

The U.K. could also "lead the way towards the harmonisation of excise duties within the EEC."

Imported wine had a considerable advantage over Scotch in that it paid far less in total and also in terms of the rate of duty charged for every degree of its alcoholic strength.

Yet the European Commission was demanding that Britain reduced the duty on wine to the same level as that on beer and might well take the Government before the European Court of Justice if it failed to comply.

"We have the faintly ludicrous situation where the British Government could be arraigned before the European Court for discriminating against wine, while at the same time taxing it much more lightly than home-produced Scotch.

"It is a situation which need never have arisen if the Government had listened to the Scotch Whisky Association's repeated representations in the years before Britain joined the EEC." Mr. Bergius said.

New courthouse

GLASGOW'S Sheriff Courthouse—reputed to be Europe's second busiest criminal court after Hamburg—is to be replaced by a £16.6m. purpose-built building. Mr. Bruce Millan, Scottish Secretary, said that work would start on preparing the site this year, and construction work would take until 1985.

Employees' fringe benefits uneven

BY JAMES McDONALD

EMPLOYEES' FRINGE benefits, particularly pensions, holiday entitlements and sick pay, have continued to improve in the past five years.

But although considerable reductions in differentials between staff and manual employees' benefits have taken place, in many areas entitlements still vary widely, and where this occurs managers are nearly always the main beneficiaries.

These are two main conclusions of a survey of employee benefits published yesterday by the British Institute of Management.

It reviews trends and practice in awarding fringe benefits to six categories of employee in 400 institute member-organisations, updating findings of a similar survey in 1973.

Since then 48 per cent. of companies in the survey have made "major additions or improvements" to benefit provisions, mainly in pensions, holiday entitlement, sick pay, medical insurance and company cars.

Changes are planned by 45 per cent. when income policy permits. Half these intend to give more benefits to all employees, and about a third will concentrate on less-taxed remuneration, and more benefits for managers and senior executives.

Widows' benefit

Of the 400 companies surveyed 98 per cent. have a pension scheme and 74 per cent. of these apply to all employees. Over a quarter of the companies have improved pension benefits since 1973. Most are contributory.

More than three-quarters make provisions for death-in-service benefits for all, and in 94 per cent. of these lump sums are paid. Widows' pensions are provided by two-thirds, and dependants' pensions by about 40 per cent.

Payment for absence through sickness is not universally provided. Entitlements vary considerably.

In about two-thirds of the companies all employees are entitled to sick pay, and 47 per cent. pay the equivalent of full pay average earnings.

Only 15 per cent. run profit-sharing schemes. Share options and share incentive schemes are rare. Half have bonus schemes.

The six categories covered are directors; senior management; middle management; junior and supervisory management; clerical and junior technical staff; and manual employees.

BIM Management Survey No. 37. Employee Benefits. British Institute of Management Publications, Management House, Parker Street, W.C.2, £10 to members, £20 to non-members.

Airline backs new Gatwick airport runway

By Michael Donne, Aerospace Correspondent

BRITISH CALEDONIAN Airways, the biggest operator at Gatwick Airport, South of London, doubts whether the Government's plan to boost Gatwick traffic to 25m. passengers a year can be achieved on a single runway—as suggested in the recent White Paper on airports policy—and believes a second runway will be needed there eventually.

Mr. Alistair Pugh, deputy chief executive of British Caledonian told a Royal Aeronautical Society symposium on the White Paper in London that a second runway at Gatwick costing £10m. to £20m. "does not seem an impossible price to pay" for an airport required to handle 25m. passengers a year.

British Caledonian's view is that any airline using Gatwick must consider the possibilities of the single runway at the airport being put out of action by an accident, or bad weather.

However persuasive the arguments might be for continuing with one runway, in British Caledonian's view, "operating horse sense says that a second runway is most certainly going to be required."

Mr. Pugh pointed out that encroachment on the land available for a second runway at Gatwick had already taken place "but an immediate halt should be called and the required land sterilised in anticipation of the day when what is now obvious to airline operators becomes obvious to others as well."

Hotel plan

Mr. Stanley Clinton Davis, Parliamentary Under Secretary for Aviation, said that greater use of all Britain's airports had to be accompanied by further control of aircraft noise.

Pointing out that there were conflicting interests—the need for a vigorous and expanding aviation sector, and the environmental needs of people living near airports—Mr. Clinton Davis said the Government's task was to balance these—"which is not easy."

"What I think the aviation industry must recognise is that to enable it to expand, to have more intensive and sensible use of airports, a price has to be paid if the confidence of people representing those affected by noise —local authorities, MPs and environmental groups—is to be won over to accept this development. This is our objective. I believe it to be a reasonable one."

● The British Airports Authority is seeking offers from developers for a 600-room hotel on a prime 7.25 acres site at Gatwick Airport.

The site is on the East side of the existing railway station, and it is intended that the hotel should be directly linked with the terminal buildings by means of an elevated walkway. This, in the authority's view, would make the hotel the most important one serving the airport.

It said yesterday that it was advertising the site and seeking a suitable developer to build and run the hotel. The cost of the project was not yet settled, but was bound to be several million pounds.

Plan to boost jobs for the disabled

FINANCIAL TIMES REPORTER

CLOSER co-operation between the Manpower Services Commission and employers is a key feature of a 10-year strategy by the commission to help more disabled people to find jobs.

The programme, announced yesterday by the Commission in a new booklet, is aimed at encouraging employers to develop company policies on the employment of disabled people, providing greater job opportunities and better promotion prospects for them.

Employers are encouraged to do more by the offer of grants to cut the costs of making adaptations to premises and equipment to enable a disabled person to be employed or re-employed.

A further inducement is the offer of an allowance for six weeks if employers give a selected disabled worker a trial under the temporary job introduction scheme.

● Mr. Alf Morris, Minister for the Disabled, announced yesterday that a further 10,000 disabled people will be able to claim mobility allowance when the upper age limit is raised to 58 later this year. He will introduce an Order soon to cover two age groups: those born on or after January 14, 1921, to claim from June 7 this year, with payments from September 6; and those born on or after December 21, 1919, to claim from September 20 this year with payment from December 20.

When the second age group is brought into the scheme all eligible disabled people aged between 5 and 58 will be able to claim the allowance—at present £7 a week but going up to £10 in July. About 100,000 people will be entitled to the allowance when it is fully phased in by 1979.

Developing Employment and Training Services for Disabled People, Manpower Services Commission, 166, High Holborn, London, W.C.1.

Chemical industry seeks better engineers

By Ray Dafter

THE CHEMICAL industry is concerned about the quality of engineers recruited by chemical manufacturers and the process plant industry.

In evidence to the Finniston Committee of Inquiry into the engineering profession, the Chemical Industries Association says it hopes that the quality of recruits will improve as the status of the engineering profession rises attracting higher standard school leavers into the profession.

The association concludes that more and better technical engineers are needed by the chemical industry, particularly as processes are becoming more complex.

About 25 per cent. of the graduates recruited each year by chemical companies were engineers who were "good, but not outstanding."

The association refers in its report to the lack of adequate courses, the fact that professional institutions now make it more difficult for technician engineers to become members, and the low-level effort of industry in general to attract school-leavers into the engineering profession.

The U.K. chemical industry, with annual sales of £10bn., is heavily dependent on engineers. It employs 14,000 degree engineers and 8,500 technician engineers out of a total workforce of about 430,000.

It points out that as a big investor in capital projects—worth £1bn. annually over the next three years—it is also dependent on the equipment supply and plant construction industries, both of which are large employers of engineers.

Ferry record

CAPACITY ON Sealink's Harwich-Hook of Holland service was stretched to the limit last year when a record volume of traffic was carried—150,000 more passengers and 13,000 more cars than in 1976, a growth of 15 per cent.

Directors want simpler income-tax system

BY ADRIENNE GLEESON

A SIMPLE two-tier system of income tax, in which the standard rate is set at 25 per cent., and the higher rate at 50 per cent., is recommended by the Institute of Directors in its seasonal representations to the Chancellor.

The Institute recognises that such a move would involve a substantial initial loss of revenue —of the order of £4bn.-£5bn.— and recommends that this should be covered by a change in the present balance between direct and indirect taxation.

Cutting the top rate of income tax to 50 per cent. would help to restore the vigour to the economy "which only individual effort can create," it says.

Of itself, this cut would involve very little loss of revenue —only about £230m. on the Institute's estimate. This was less than the stated margin of error in Treasury forecasts.

To prevent the advantages offered by the proposed lower rates of tax from being eroded by inflation, there should be a review of thresholds to coincide with such changes, and the subsequent indexation of all sums expressed in absolute amounts.

Such moves, however, should be only a beginning. In the longer run discrimination against saving by way of taxes on capital such as the investment income surcharge should also be eliminated or at any rate significantly reduced, says the Institute.

Belfast memorial service for bomb victims

BY OUR BELFAST CORRESPONDENT

BELFAST airport closed for an hour and many shop and factory employees left work early yesterday to attend a memorial service at the City Hall for the 12 victims of last Friday's restaurant bombing.

More than 1,000 gathered in heavy rain to hear Orange Order leaders condemn the murders and call for tougher government measures against terrorists.

The Irish Congress of Trade Unions and the Peace People said it was up to individuals to decide whether to stop work. Mr. Andrew Barr, leader of the Confederation of Shipbuilding and Engineering Unions, opposed the stoppage. "If the Provisional IRA calls for a stoppage we would not support it," he said. "Why should we stop work when they bomb and murder?"

NOTICE OF REDEMPTION

To the Holders of

Queensland Alumina Finance N.V.

8¼% Collateral Trust Bonds Due 1987

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the Queensland Alumina Finance N.V. Collateral Trust Indenture dated as of April 1, 1972, U.S. $598,000 principal amount of the above described Bonds have been selected for redemption on April 1, 1978, in lieu of a redemption for the purpose of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, as follows:

BONDS OF U.S. $1,000 EACH

M-70	1319	2643	3794	4798	6108	7791	9805	11850	14040	15979	17657	19369	20935	22784	23554	24475
81	1362	2652	3832	4827	6109	7905	9896	11868	14075	16030	17706	19603	21015	22804	23597	24478
142	1368	2659	3836	4850	6192	7981	9955	11940	14139	16108	17746	19620	21077	22808	23599	24498
171	1397	2685	3845	4856	6224	8008	9965	12009	14197	16124	17758	19637	21083	22815	23642	24542
232	1417	2740	3913	4869	6305	8025	10058	12055	14238	16208	17840	19711	21108	22851	23661	24569
239	1427	2747	3925	4903	6333	8106	10064	12154	14319	16268	17863	19781	21173	22854	23674	24624
241	1450	2794	3937	4933	6336	8177	10098	12223	14336	16310	17890	19823	21229	22928	23710	24646
365	1462	2870	3949	5098	6394	8321	10165	12314	14352	16311	17924	19830	21283	22942	23720	24679
394	1463	2887	4030	5195	6417	8339	10211	12412	14429	16339	17998	19857	21357	22945	23731	24693
406	1558	2909	4048	5206	6462	8417	10290	12424	14493	16350	18037	19929	21448	22992	23754	24707
426	1559	2973	4066	5215	6488	8503	10359	12510	14564	16436	18058	20000	21544	23036	23811	24740
448	1565	2975	4091	5237	6505	8591	10402	12530	14611	16451	18069	20024	21556	23061	23819	24781
452	1568	2977	4093	5333	6528	8656	10494	12598	14625	16515	18084	20038	21622	23068	23852	24785
492	1585	3072	4122	5344	6543	8740	10533	12607	14701	16569	18101	20081	21650	23083	23870	24800
552	1600	3074	4147	5398	6630	8790	10559	12699	14749	16617	18159	20123	21710	23096	23920	24840
592	1669	3101	4169	5475	6635	8932	10649	12788	14814	16657	18231	20156	21793	23115	23954	24849
597	1672	3123	4183	5518	6683	8933	10712	12817	14894	16738	18316	20182	21799	23118	24004	24896
602	1724	3212	4209	5522	6685	[illegible]	10719	12910	14953	16740	18389	20212	21835	23138	24037	24921
664	1760	3284	4228	5529	6696	[illegible]	10810	13007	14958	16754	18390	20272	21897	23156	24082	24935
668	1924	3347	4230	5531	6747	[illegible]	10820	13045	15048	16777	18424	20274	21962	23224	24098	24941
733	1949	3382	4235	5597	6761	8952	10836	13120	15103	16822	18437	20275	21984	23244	24121	24999
778	2037	3396	4247	5640	6914	9012	10838	13206	15111	16858	18485	20295	22036	23248	24129	25000
851	2069	3402	4304	5731	6921	9069	10907	13257	15161	16911	18520	20309	22065	23313	24154	
858	2136	3423	4329	5737	6929	9074	10936	13320	15245	16975	18605	20314	22086	23316	24155	
927	2206	3459	4331	5787	7023	9152	11031	13336	15252	17007	18706	20359	22180	23349	24179	
931	2267	3461	4375	5816	7161	9205	11130	13374	15299	17064	18765	20411	22198	23353	24211	
934	2285	3503	4406	5819	7175	9266	11184	13436	15375	17103	18801	20462	22241	23411	24212	
1010	2308	3536	4446	5833	7373	9330	11280	13519	15454	17175	18874	20488	22327	23443	24308	
1024	2373	3562	4482	5835	7444	9333	11327	13543	15521	17252	18941	20502	22366	23449	24316	
1108	2386	3571	4505	5857	7518	9349	11390	13580	15615	17272	18975	20564	22429	23489	24331	
1118	2387	3620	4514	5896	7581	9366	11404	13678	15692	17458	19047	20607	22525	23493	24363	
1121	2460	3658	4539	5903	7637	9452	11502	13751	15735	17459	19092	20634	22563	23516	24388	
1263	2464	3662	4604	5931	7638	9528	11550	13835	15805	17540	19112	20673	22630	23520	24398	
1286	2486	3723	4607	5962	7698	9594	11637	13970	15836	17545	19171	20749	22681	23532	24415	
1289	2548	3764	4717	6020	7714	9661	11722	14011	15847	17559	19180	20841	22713	23537	24448	
1313	2605	3786	4733	6068	7722	9730	11793	14024	15882	17614	19278	20909	22786	23543	24469	

On April 1, 1978, the Bonds designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for public and private debts. Said Bonds will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of **Morgan Guaranty Trust Company of New York, 15 Broad Street, New York, New York 10015**, or (b) subject to applicable laws and regulations, at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt (Main), London or Paris or at the main offices of Bank Mees & Hope NV in Amsterdam or Banque Internationale à Luxembourg S.A. in Luxembourg. Payments at the offices referred to in (b) above will be made by check drawn on, or by a transfer to a U.S. dollar account maintained by the payee with, a bank in New York City.

Coupons due April 1, 1978 should be detached and collected in the usual manner.

On and after April 1, 1978 interest shall cease to accrue on the Bonds herein designated for redemption.

QUEENSLAND ALUMINA FINANCE N.V.
By WILLIAM HOBBS, Managing Director

Dated: February 23, 1978

Curb is sought on bogus bargains

By Elinor Goodman, Consumer Affairs Correspondent

OF MISLEADING bargain claims such as "up to 40 ent. off," should become a nal offence. Mr. Gordon e, Director-General of Fair ng, recommended yesterday. s would put an end, he said, wide range of claims com- used by retailers, and that many companies must again about descriptions of

recommendation, sub- l to Mr. Roy Hattersley, the Secretary, is the first section two of the Fair ng Act, and would need ry legislation to implement

is likely to be followed y by proposals for tighten- on use of price compari- vith manufacturers' recom- d prices.

recommendations are to be dealt with as part e Government's general of the Act. This is not ed to result in new legis- for at least two years. erday's recommendations ated in a consultative docu- by the Office of Fair g three years ago.

Exceptions

e specific types of claim be banned Value claims s "Worth £36, only £16.75." comparative retail price our price £5.40." claims savings against prices le elsewhere, as "50 per off High Street prices"; hose talking vaguely of s "up to" a certain level. p to 45 per cent. off d fare."

Borrie has recommended exceptions for claims in his Office's view help ers rather than confuse

a trader could continue ing one week's prices nother's, and compare his with a competitor's, if the was true. Factual claims, s savings by buying in would also be permitted. uld sheer puffery like knowingly undersold."

Trade Descriptions Act deals with some aspects leading pricing.

Borrie said that all the which he had recom- banning had a common eristic, that their mean- d justification were not the consumer.

Department of Prices said studying the recommen-

Gas pricing quarrel flares up again

BY JOHN LLOYD

THE DISPUTE over pricing between the electricity and gas industries flared up again yesterday after the Central Electricity Generating Board gave evidence to the Parliamentary Select Committee on Nationalised Industries.

Mr. Glyn England, chairman of the Board, told the committee that gas prices should be brought more into line with electricity prices. At present, the prices did not reflect costs to be incurred in future gas production.

British Gas, however, accused the electricity industry of using "misleading figures" to support its arguments that gas prices should be raised.

Mr. England's comments were in line with those made last week by Sir Francis Toombs, chairman of the Electricity Council, during the second meeting of the Energy Commission. Both agree that the cost of producing gas is about 1.9p per therm, while the cost of producing electricity is about 8p per therm.

British Gas said yesterday: "The average price of gas to-day—as it arrives at our terminals—is considerably higher than the figure of 1.9p per therm quoted by the electricity industry.

"These costs will continue to rise as we use more and more Frigg gas over the next two years, and as the price escalates under the terms of our contracts with the suppliers.

"The increasing cost of our North Sea gas supplies does not mean sudden or precipitous rises in gas tariffs, as the electricity industry would have people believe."

Mr. England forecast in his evidence to the committee, that the Generating Board would merely break even this year, after making a profit of £130m. last year.

More than £100m. of the forecast drop in profits is due to a change in the methods of accounting, from depreciating assets on the basis of historic costs to depreciating them on the basis of current costs.

Questioned on the fuel cost adjustment system—a Generating Board mechanism by which it evens out the rate of price increases in bulk supply to area electricity boards—Mr. England admitted that it could result in a weakening of the Board's resolve to bargain hard with its suppliers, especially the Coal Board, since it meant that all price increases were immediately passed on to the customer.

He claimed, however, that it did not do so. In an echange of letters between the Generating Board and the Coal Board last month, he had drawn the Coal Board's attention to the fact that if the price of coal went up much more than the 10 per cent. rise scheduled for next month, it would cease to have its competitive edge over oil.

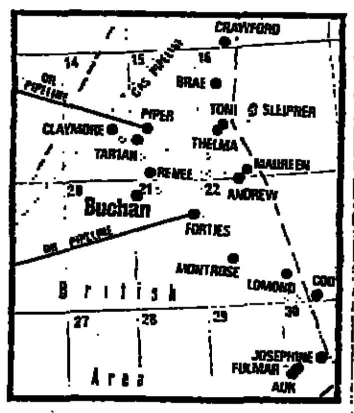
It is understood that the Generating Board was privately pleased with the increase in coal prices being held to 10 per cent. It had made internal arrangements to prepare for an increase of between 15 and 17 per cent.

Mr. England said that the Generating Board was moving towards a new site agreement with contractors, in an attempt to avoid protracted labour problems of the kind which have beset the construction of the Isle of Grain station.

The agreement would include arrangements whereby the various construction unions matched their pay settlement dates.

BP tests confirm Buchan oil flow

BY RAY DAFTER, ENERGY CORRESPONDENT



BRITISH PETROLEUM has suspended operations after successfully testing an oil flow from the first development well on its Buchan Field.

The well will be linked to the production system when BP and its partners bring the field on stream in about 18 months.

The Buchan consortium still has to receive full Department of Energy consent to exploit the field although it has been given interim approval to drill the first two production wells.

BP, as the field's operator, said that it had core tested more than 400 metres of the total reservoir thickness of about 600 metres. During a 20-hour flow test oil was produced at a maximum rate of 7,100 barrels a day from a 100-metre section of the reservoir.

The section was considered representative of the reservoir. The information obtained confirmed the result of the original exploration wells.

Buchan is one of the more difficult North Sea fields to evaluate because of the geology and producing characteristics. Stockbrokers Wood Mackenzie estimate that recoverable reserves are about 130m. barrels.

However, development costs will be appreciably lower than for most offshore fields. BP plans to exploit the reservoir through a converted semi-submersible drilling rig.

In this way the consortium hopes that the development costs will be kept below £100m.

BP's partners in the venture are CanDel Oil (U.K.), CCP North Sea Associates, Charterhall Oil, City Petroleum, Gas and Oil Acreage, Lochiel Exploration, St. Joe Petroleum and Natomas International.

● The Energy Department yesterday reported that a record 3.7m. tonnes of crude oil was produced last month, 142,516 tonnes up on December.

Output during the month averaged 884,823 barrels a day compared with 851,102 barrels a day in December.

During this year, the output figure is expected to rise steadily as new fields—including Thistle and Ninian—are brought on stream. The Government still expects to achieve its target of enery self-sufficiency by 1980.

The Department's statistics show how quickly the output is increasing. In January last year, the average daily production rate was 528,622 barrels; in July it was 767,947 barrels.

● Ranger Oil and its co-licencees, London and Scottish Marine Oil and IU International Corporation, have begun drilling an exploration well on North Sea block 23/27, immediately south of the Lomond Field.

Big thaw brings floods threat

BY CHRISTOPHER DUNN

FLOODS replaced snow as the main hazard yesterday in the South West of England when a thaw started after some of the worst blizzards for 30 years.

Sir Henry Plumb, president of the National Farmers' Union, said that livestock losses for some farmers would be disastrous. He would seek an early meeting with the Ministry of Agriculture. Farmers hoped for help from the EEC.

Mr. Denis Howell, Minister responsible for co-ordinating the Government rescue operation, flew back to London and will make a statement to the Commons to-day.

A rapid thaw made Devon a main flood-risk area and parts of Kingsbridge lay under four feet of water after the Avon overflowed its banks. In North Devon, Barnstaple and Bideford were at risk by mid-afternoon.

Exmoor and Dartmoor were turning into vast reservoirs of water as snow melted, said Mr. Bruce Pell, of the South West Water Authority. But few problems were expected in Cornwall or Dorset

The Army, drafted into Wiltshire, Somerset and Wales for snow clearing, stood by with emergency bridge-building equipment.

Recovery

Sir Henry Plumb hoped the Government would give urgent and sympathetic consideration to the contributions which it and EEC partners could make towards recovery of losses by farmers in the blizzards.

Farmers hoped to get help for lost livestock and milk from the EEC Disaster Fund, the National Farmers' Union added. There had been a "massive loss of young lambs" in the snow.

They wanted a deal similar to the Scottish farmers' settlement, part of a £1.5m. payment from the Fund announced recently.

As Mr. Peter Mills, Tory MP for West Devon, flew to Brussels yesterday for talks on aid, the European Commission in London said that it would consider applications from the British Government for extra help in the South West, in the same way as it had looked at other recent requests for aid. The EEC Disaster Fund is worth £3.3m.

Accelerated grant schemes should also be available, subject to Parliamentary approval, to help farmers hit by abnormal flooding, the Ministry of Agriculture said.

Most homes were covered in policies for snow and thaw damage, the British Insurance Association stated.

British Rail carried thousands of gallons of milk to Wales from the South West to make cheese, and the South West Electricity Board borrowed two snow-tracked vehicles to speed electricity reconnection.

David Churchill writes: Criticism of Government "delays" in providing help to local authorities faced with massive reconstruction work after the winter storms came from the Association of District Councils, the largest local authority association, yesterday.

The Association's policy committee decided to seek an urgent meeting with Mr. Peter Shore, Environment Secretary, to press for immediate Government help as promised after the storms.

The association attacked the bureaucratic nature of the "delays" and predicted that no help would be forthcoming until April at the earliest.

Firemen carry shoppers through the streets of Kingsbridge, Devon, as the big thaw begins.

Trawler fleet operator to leave Fleetwood

BY RICHARD MOONEY

BRITISH United Trawlers, Britain's major fishing fleet operator, is to pull out of the Lancashire port of Fleetwood.

The loss of the company's six vessels will leave Fleetwood with fewer than 20 boats, compared with 42 five years ago. Four of the vessels, operated by the Wyre Trawlers subsidiary, will move to Aberdeen. The other two will remain on the Cornish mackerel grounds.

Union leaders at the port have described the move as a "death blow." They say that the port will lose more than 2,500 tonnes of fish a year as a result.

The British Fishing Federation said yesterday that Fleetwood ought to have a bright future within the 200-mile limits as West Coast fishing should increase in importance. But the prospect was being spoiled by EEC fishing proposals under which fish off the West Coast which had been denied to non-EEC fishermen were being offered mainly to Britain's Common Market partners, particularly France.

British United Trawlers is a subsidiary of Associated Fisheries, which this month announced a £1m. loss on trawling operations during the first quarter of this financial year.

The move out of Fleetwood is seen as an attempt to rationalise the company's fishing operations by concentrating its efforts in fewer centres.

Illegal money lending warning

By Michael Blanden

A WARNING that back-street moneylenders charging exorbitant interest rates face heavy penalties under the new consumer credit regulations, was given yesterday by Mr. Tony Scott, of the Office of Fair Trading.

Unlimited fines and up to two years in prison could be imposed on moneylenders who did not have a licence from the Director-General of Fair Trading, he said.

Mr. Scott, director of the office's consumer credit division, was speaking to consumer protection officers in Glasgow.

"There is evidence that unlicensed back-street moneylenders are operating in Glasgow and other big cities," he said. "They are lending money to underprivileged people at extortionate interest rates."

This was "just the type of unfair dealing which the Consumer Credit Act is designed to stamp out."

Trading standards and consumer protection officers throughout the country would be keeping a sharp look out for these "unsavoury traders. I warn them that if they are caught operating without a licence they will face very stiff penalties."

Any agreements made by unlicensed credit traders were not legally enforceable, so that anybody who borrowed money from them was not legally obliged to repay it.

The warning underlines the growing effect of the consumer credit legislation, which was passed in 1974 and has been put into effect in stages. Under the licensing provisions, all businesses which provide credit or hire facilities require a licence which is valid for three years.

Licences are not granted automatically. Applicants have to satisfy the Director-General that they are fit persons to carry on the business. A licence can be withdrawn at any time.

Consumer aid expanded

THE GOVERNMENT is to increase the number of cosumer centres it helps to finance by 26, bringing the total number of centres to 105.

Grants of £300,000 will be provided to set up the new centres. Two existing bureaus are to receive improvement grants.

Most of the centres, which advise shoppers and traders, are run by local authorities.

HOME NEWS

AC Delco to launch long-life battery

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

AC DELCO, the automotive components subsidiary of General Motors, is to launch in the European market a maintenance-free battery which is claimed to offer a lifespan of 300,000 miles in service.

The Freedom battery, which has been used extensively in the U.S., has been launched in the U.K. well ahead of any rival products from AC Delco's competitors, such as Chloride and Lucas.

These companies have similar products under development, but have not been convinced so far that the market is ready to take maintenance-free batteries, which tend to be more expensive than the traditional type.

Both Chloride and Lucas said yesterday that they had no immediate plans to launch a maintenance-free unit.

AC Delco's development of the Freedom product, which was carried out in the U.S., was undertaken partly because it was losing replacement sales to cheaper batteries.

The maintenance-free unit was designed to give the company a firmer grip on the market. It is reckoned to last longer than the traditional type, which means that Delco can aim at eating into the secondary market from its strong position as an original equipment manufacturer.

Delco's primary effort in Europe will be with commercial vehicle batteries. It plans to sell a range of products for vans and heavier trucks, and says they will be priced competively.

In the longer term, the American-owned company plans to make the Freedom range in Europe, although it will not say where at present.

This decision suggests that it will move to European sizes and standards, and hence into the car battery market.

The technology behind the new Freedom battery is based on lead-calcium plates completely free from antimony, which causes water loss in the traditional battery.

The battery does not need topping-up, and Delco claims that it is also more resistant to damage from overcharging, heat or vibration.

The system is also completely sealed, eliminating the need for maintenance, which is a heavy cost factor in running a commercial vehicle fleet.

Delco says that every truck and car manufacturers in the U.K. is testing the Freedom battery.

It is covered by a full two-year warranty, and defective units will be replaced free within that period.

Babcock merger near

BY MAX WILKINSON

BABCOCK and Wilcox and Northern Engineering hope to complete negotiations for a merger of their boilermaking interests by the end of next month.

Most details are understood to have been agreed for what would be, in effect, a takeover of the former Clarke Chapman's Gateshead works by Babcock.

The merged company will be called Babcock-Chapman and Babcock has hired Mr. Ron Campbell as managing director designate.

Most of the remaining discussions are expected to be with the unions, which have expressed some alarm at the proposal to exclude a National Enterprise Board shareholding from the company. It is generally assumed that Babcock will have about a 70 to 75 per cent. share.

Babcock says it does not see the need for Enterprise Board involvement because of the relatively bright prospect for power station orders.

The unions, however, are concerned that the merger should not lead to the closure or extensive rundown of the Gateshead works. They see the Board as a security against arbitrary action of this sort by Babcock.

Mr. Campbell said last night that the unions had been given an assurance that no major redundancies would take place without the agreement of both major shareholders. This, he said, was just as good a safeguard as an Enterprise Board presence.

Union representatives are considering the proposals and further talks are expected soon.

Hovercraft likely to challenge for ferry routes

BY DAVID FREUD, INDUSTRIAL STAFF

THE HOVERCRAFT is emerging as a leading contender for a substantial share of mixed-traffic ferry routes, Mr. Roy McLeavy, editor, says in a new edition of Jane's Surface Skimmers, published to-day.

Contracts worth thousands of millions of dollars for the replacement of ageing ferries were at stake. Many operators now recognised that hoverferries might be the most acceptable replacement.

Technical development would solve or alleviate earlier problems of hovercraft design, including the ability to operate in rough weather. Operating costs would also be trimmed.

These factors would increase the chances of the British Hovercraft Corporation selling its increased capacity SR.N4 Mark 3 on some of the established European routes now operating conventional ferries over 100 to 150 mile trips.

One of two Mark 3 hovercraft were to enter service this year on the Dover to Calais cross-channel route, with passenger capacity increased from 254 to 418 and car capacity doubled to 60.

This represented a 70 per cent. increase in payload for only a 15 per cent. increase in operating costs. This had been achieved by improvements in the power units.

Already a new craft to replace even the extended SR.N4 was on the drawing board. Designated the BH 88, this would be capable of operating in Force 9 winds and would have a higher cruising speed than the existing craft but would use only one-third of the fuel per passenger.

Evidence of the military potential of the hovercraft is given in the book, with data on a number of new craft used by the Soviet Union, including some used as amphibious assault craft.

Jane's Surface Skimmers, 1978, edited by Roy McLeavy. MacDonald and Jane's Publishers. Price £19.50.

Grant to improve die-casting

THE Engineering Materials Requirements Board is to contribute £220,000 towards a project to develop technical expertise in the U.K. pressure die-casting industry.

The aim is to help companies introduce improved process control and die design, particularly for the production of thin-walled castings. It is hoped not only to reduce the quantity of materials—mostly imported—which goes into die-casting but also to reduce significantly the time taken to bring new dies into production and to make more efficient use of die-casting machines.

The scheme will be carried out in co-operation with the Zinc Development Association and its affiliate, the Zinc Alloy Die Casters' Association at the BNF Metals Technology Centre, Wantage. The programme should take three years.

Optimism on current account

BY DAVID FREUD

THE MONTHLY current account balance is likely to level off in modest surplus in spite of the unexpected deficit recorded last month, according to stockbrokers Simon and Coates.

The firm concedes that the quarterly trend in both imports and exports is not looking good, but says that North Sea oil provides reasonable leeway.

The oil deficit should narrow this year from £2.8bn. to £1.5bn., which would provide an overall surplus of £1.5bn. assuming the non-oil surplus remains steady at last year's £1.2bn. and the invisible surplus holds at £1.7bn.

But the quarterly export trend was unfavourable at a time when the ratio of export prices to import prices rose 3 per cent. due to the appreciation of the pound.

Import growth

"The fact that this has already coincided with an actual fall of 4.5 per cent. in export volume on a quarterly basis is surprising for the time lags appear to be too short for exports to be priced out of foreign markets," the brokers say.

The quarterly pattern of import growth was similarly disturbing. Within the overall 3 per cent. volume rise, the rise in finished manufactures—up 1.3 per cent. last year over 1976—was especially disquieting.

Nevertheless, given the impact of the rising terms of trade, it would be premature to downgrade estimates of this year's surplus too severely. The improvement in domestic inflation also must enhance medium-term prospects.

"The Chancellor is likely at this stage to incline towards a reasonable, rather than substantial, reflation which would not have too severe an impact on the trade balance. Nevertheless, estimates of the trade surplus are likely to shade towards the £1bn. mark," the firm says.

Reduced grants 'bound to hit buses'

By Our Transport Correspondent

LONDON TRANSPORT bus and rail services were bound to deteriorate if the Greater London Council stuck to its policy of reducing revenue grants and restricting fares increases, Mr. Paul Garbutt, the company's chief secretary, said yesterday.

Mr. Garbutt told the Royal Society of Arts, that the main burden of any cost-cutting would inevitably fall on bus services, as cuts in underground operations produced little financial benefit.

So far London Transport had been able to meet the demands of the Conservative administration at the Council by saving £4m. on its budgeted expenditure last year, but there could come a time when general costs could be squeezed no more.

Mr. Garbutt defended London Transport against the accusation that delays to buses were mainly caused by staff inefficiency. Figures showed that three-fifths of delays were attributable to traffic congestion and two-fifths to staff or vehicle problems.

Decline

Congestion had worsened in recent years, in spite of an overall decline in the number of pasengers entering London during the morning peak period from 1.16m. to 1.07m. between 1971 and 1976. The number of car passengers increased by 6 per cent., and the number of cars entering the area rose from 113,000 to 125,000 in the same period.

This trend had resulted in a fall in London Transport's traditional business, but the decline had been substantially offset from tourist traffic, which now accounted for almost 20 per cent. of the operator's revenue from fares.

It was up to local and central government to give public transport operators the capital and revenue support needed. For buses and trains were more energy efficient and contributed more to social and environmental improvement than the private car.

The average private car uses 1.4 kW hours of energy per passenger mile, compared with 0.[illegible] for a London bus and 0.9 for an underground train, Mr. Garbutt said.

Shares loss stunned me, court told

By Our Coventry Correspondent

FORMER ENGLAND rugby player Keith Fairbrother, now a businessman, said at Coventry County Court yesterday that he was stunned when he telephoned his stockbroker when on holiday in Spain and was told that some shares had been sold without his permission.

"I just sat on the beach and counted the loss at £1,000—and through no fault of mine," he said.

But the broker's counsel told the court, that Mr. Fairbrother could easily have told his adviser to buy the shares back, or take similar action on his return to this country. "All he did was to stop the cheque covering the loss."

Mr. Fairbrother lost his claim for £984. The brokers, Smith Keen and Cutler, of Birmingham succeeded with a counter-claim for their expenses.

Judge Harrison-Hall said that the broker had acted without specific instruction, but did his best in the circumstances.

Mr. Fairbrother of Sunway Grove, Coventry, a wholesale fruit and vegetable trader, said that he had been buying and selling shares for about five years.

He always decided what to do. Mr. Charles Melly, of the stockbrokers' firm, had no authority to sell or buy any shares in his name.

Mr. Melly told the court that he and Mr. Fairbrother were involved in day-to-day discussions about share dealings. He had discretion to sell or to buy shares in Mr. Fairbrother's name.

Man uses credit card for bankruptcy fee

A FORMER off-licencee who did not have the £50 he needed to make himself bankrupt borrowed the cash on his Access card.

"It is the first time I have heard of a credit company financing someone to go bankrupt," Mr. Registrar Parbury said yesterday at London Bankruptcy Court after Mr. Terrance Rutherwood had told him how he raised the fee.

Mr. Rutherwood, of York Road, Wandsworth, London, had traded from that address as Terry's Wine Stores.

He disclosed debts of £5,9[illegible] and assets of £260. His public examination was concluded.

Jailed accountant 'has not purged contempt'

ONE NIGHT in jail was not enough to purge "a bad case of prolonged contempt of court" by a London chartered accountant, a High Court judge said yesterday.

Mr. Anthony Fisher was jailed on Tuesday for not obeying a court order relating to his work as liquidator of two companies. Yesterday he asked the Vice-Chancellor, Sir Robert Megarry, to free him so that he could comply with the order. The judge, refusing his plea, said that no application for Mr. Fisher's release before next Wednesday would have any prospect of success.

Mr. Fisher had been ordered to submit returns in the winding-up of Richard Aron and Carefords Plant. He is a partner in A. D. Fisher and Co. of Baker Street.

LABOUR NEWS

Murray rules out early discussions on new pay policy

BY CHRISTIAN TYLER, LABOUR EDITOR

N MURRAY, TUC secretary, yesterday suggestions that the uld be led into talks Government about ncomes policy after s year.

stion was raised at a f the TUC general esterday by Mr. Sid general secretary of al Union of Railway- is in favour of some eement.

ray said afterwards: not discussed with any question of Stage hat we have done is em about the possible speeches of the sort making.

d as lief look in the columns as into Minis- ches to know what is appen in 1979-80."

s, however, have cussing among them- to maintain the un- ccess of the present t. limit on earnings in reducing the inflation rate and they are expected to approach the TUC after the Budget on April 11.

Mr. Murray did not deny that such talks might be held, but said that April 11 was "a long way off."

Meanwhile the TUC is to step up pressure on the Government not to accede to pressure from the EEC Commission in Brussels to remove or modify the Temporary Employment Subsidy.

Mr. Murray has written to the Prime Minister to say that any modification of the subsidy could put another 100,000 people out of work, especially in the North-West.

The letter says that the Government must "leave the Commission in no doubt that if they continue to press this matter they could well be precipitating a confrontation which will have profound implications for this country's relationship with the EEC."

The TUC leaders meet Mr. Albert Booth, Employment Secretary, on Monday to press their arguments.

Asked about Tuesday's warning by the Prime Minister at the TUC-Labour Party liaison committee about a slide into protectionism by the West, Mr. Murray said: "The debate between free trade and protectionism is totally sterile."

The TUC had never favoured widespread protectionist measures, but its argument for temporary and selective controls to protect certain industries and jobs still held good.

"More and more people are coming round to our point of view, not only in this country, but also in Europe.

The TUC saw no distinction between protecting Britain from Common Market imports and protecting it from the imports of non-EEC countries.

Mr. Murray described as "totally inaccurate" reports that there had been conflict at the liaison committee about the terms of a paper on unemployment presented by Mr. Booth.

Speke peace pact likely

By Philip Bassett, Labour Staff

SHOP STEWARDS from British Leyland's strike-hit car factory at Speke, Liverpool, and national union officials will meet Mr. Eric Varley, the Industry Secretary, to-day, confident that an agreement has been reached for a return to work.

The breakthrough came after intervention by Mr. Grenville Hawley, national automotive secretary of the Transport and General Workers' Union, and Mr. Terry Duffy, Midlands executive member of the Amalgamated Union of Engineering Workers, in talks at Speke.

Mr. Hawley and Mr. Duffy will discuss with Mr. Varley and senior Speke shop stewards Leyland's plans for closing the TR7 plant at the factory.

Agreement had been reached last night on new manning levels and line speeds for all but one section of the plant.

Talks continued last night to settle the remaining section. If unsuccessful, they are likely to be continued to-day. The proposal as it stands will in any case be put to a mass meeting of the 1,800 strikers in Liverpool tomorrow.

The strike, now in its 17th week, started when the men claimed Leyland had not stuck to a local working agreement when it tried to introduce new manning levels and line speeds in November.

Leyland wanted the overall line rate of TR7 production increased from 14.5 to 18.5 cars an hour. The new agreement to form the basis of a return to work after the mass meeting sets two levels of production, lower than the increases originally proposed.

Leyland has stated firmly that the No. 2 plant at Speke must close, and production of the TR7 move to Coventry.

● The 900 engineering union members on strike at Leyland's body plant at Cowley in a lunchtime working demarcation dispute meet to-day to decide if they should continue the unofficial stoppage.

Production of body shells for the Maxi and Princess has been halted, but finished cars are being produced from a body-shell stockpile.

Typhoo strike warning

By ...r Smith, ... Correspondent

...0 workers, threatened ...dancy by closure of ...hweppes' Typhoo tea-...lant at Birmingham, ...erday to strike from ...ay.

... Burke, the Transport ...ral Workers' Union ...vard, said: "We still ...r jobs can be saved. ...e end of the day the ...t cannot see sense ... improve their pay-off ... present paltry offer."

...pany has decided to ...ordesley Street plant ...rate tea packing at ...ear Birkenhead.

...ent argues that its ...vestment in modern ... machinery must be ... to only one plant. ...Street was established ...h century, compared ...Moreton plant which ...1950.

...pany said last night ...d to work out answers ... end of this week to ...ds presented by the ...ng of Bordesley Street ...The unions are calling ...ed redundancy terms ...e positive indication ...ive work.

...Schweppes claims that ...s will be entitled to ... payments beyond the ...inimum and to offers ...ive employment with ...y either in the Mid-...t Moreton.

...ision to switch tea- ... the North-West has ... clash of interests be-...ernment departments. ...rtment of Industry ... that the move to ...n assisted area suffer-...igh unemployment, is ...with official policy.

... other Ministers have ...l of the impact the ...ll have on Birming-...h is trying to attract ... declining inner city

...ortance of the White-...t is underlined by the ...tervention of Mr. Reg ...Minister for Housing ...uction, who to-day will ...Adrian Cadbury, the ...chairman, to discuss ... employment for the ...m workers.

...eson is chairman of ...ingham Partnership ... which is responsible ...ing employment under ...ment's policy for re-... inner city areas.

Gas workers seek productivity deal

BY PHILIP BASSETT

REPRESENTATIVES OF 40,000 gas workers asked yesterday for a self-financing productivity deal on the lines of that offered to power workers, on top of the wages package proposed by the Gas Corporation.

The gas workers have already turned down an 8.9 per cent. offer, and yesterday they met the employers' to reply to a revised offer of a 9.5 per cent. increase on their basic wage with an across-the-board holidays concession.

The talks broke up after the trade unions put forward their proposal for a productivity deal, which the employers will now consider. No date for a resumed meeting has been set.

The gas workers are mainly represented by the General and Municipal Workers' Union, and Mr. John Edmunds of the GMWU said after the talks that the employers had been reluctant to talk about productivity deals at all.

He said the gas workers were looking for a similar productivity deal to that which had been offered to the power workers—and that because the power workers' proposed deal was based on unit cost production it could be fitted easily to the gas workers.

The employers will consider the principle of a productivity deal. If they accept, it will be some weeks while details are worked out before the gas workers could come to a settlement.

Average earnings for gas workers are £71.56, including overtime, with a basic rate for ordinary service engineers of £41.60, or £50.10 with supplements.

Union membership ballot on production platform

FINANCIAL TIMES REPORTER

AGREEMENT has been reached to hold the North Sea's first union membership ballot among oil company employees on a production platform.

Occidental and the Aberdeen Inter-Union Offshore Oil Committee have agreed on a ballot of 70 production and maintenance staff on the Piper platform, where unions have claimed a 90 per cent. membership.

Once a version of the ballot acceptable to both sides has been drafted by the Advisory, Conciliation and Arbitration Service it is expected that voting will take place within the first half of April.

The ballot will seek to determine the present union membership standing of workers and whether they want a union to represent them and would only confer on the unions the right to represent members individually without any collective bargaining rights.

Mr. Bill Reid, inter-union committee secretary and district secretary of the TGWU, said yesterday: "Once we have made the first step we would be looking for full negotiating rights. Hopefully this ballot will be so demonstrative that it will be a question of just going through the hoop."

The unions seeking negotiating rights through the TUC-recognised committee are the transport workers and ASTMS. Officials of the unions will be visiting Piper as well as the Claymore platform within the next few weeks.

Mr. Reid added: "There are a number of situations offshore where people are concerned about seeing trade unions established and the fact of such an agreement is going to strengthen their determination. They will see that the machinery is beginning to get on-stream."

It is the second membership ballot to be held on a North Sea production platform, the first was held for catering company employees on the Mobil Beryl A platform three years ago resulting in a TGWU negotiated agreement.

Computer move

THE HOUSE of Fraser, which includes Harrods, Army and Navy, Binns and Fraser's department stores, is to move its computer operations from London to Swindon. The computer is expected to be in service early next year. The purpose-built centre will employ about 100 computer and administrative staff.

Daly justifies 10% miners' pay settlement

MR. LAWRENCE DALY, general secretary of the National Union of Mineworkers, made it clear yesterday that the miners accepted a 10 per cent. pay deal to avoid standing alone in a clash with the Government.

"Let's not beat about the bush—the alternative was to have a confrontation with the Labour Government at a time when support from the rest of the trade union movement would not have been forthcoming as it was in 1972 and 1974," says Mr. Daly in the latest issue of the NUM journal, Miner.

He says it was made abundantly clear to the miners' negotiators that the Government was standing firm on its guidelines.

Mr. Daly acknowledges that, even if there had been no incomes policy, the National Coal Board's offer would probably have been the same in view of the need to keep coal prices competitive with oil and gas.

"The miners do not negotiate in a vacuum," he said. "The events of the winter—the firemen's strike, the slowing down of the rate of inflation, other settlements, the introduction of area incentive schemes—all have to be weighed carefully before committing ourselves to any course of action."

Mr. Daly says the alternatives to acceptance of the pay offer "were simply not viable nor wise."

His line has been strongly opposed by some Left-wing miners.

King Faisal 'read Tether column'

...E King Faisal of Saudi ...d such a high regard ...tings of Mr. C. Gordon ...e dismissed Financial ...umnist, that he ordered ... translated into Arabic ... read, Mr. Peter Tap-...pposition front bench ..., said yesterday.

...sell, MP for Horncastle ...rly Tory spokesman on ...d Commonwealth mat-... giving evidence for ...r on the 26th day of a ... Industrial Tribunal's ...of his reinstatement ...ainst the Financial

...er, aged 64, who wrote ...bard Column in the ...r for 21 years, claims ...nfairly dismissed. ...missal 16 months ago ... long dispute about the ... Mr. Fredy Fisher, the ...r the regular column. ...sell said he had worked ... for more than 20 years ... regularly read Mr. ...rticles.

...umn was required read-...nyone like himself, a ...er, who wanted to be ...y informed. "It was one ...ngs you had to read to ...ing in the City."

...psell said his overseas ...had largely been con-... the Third World, and ... the extent to which ...ere read the Financial ...ried very considerably. ... late King Faisal, whom ...well for many years, had the highest regard for Mr. Tether's column.

The king had told him that he regarded Mr. Tether as being better informed about Middle Eastern financial and oil matters than any other writer in the world.

He had given instructions that all Mr. Tether's columns be translated into Arabic and shown him. It was a column which the king read regularly.

Mr. Tapsell said he had not been aware of any change in the quality of Mr. Tether's articles in recent years. There had been no deterioration.

Different

He had seen the book of the banned articles published by Mr. Tether, and would not have thought their quality was different from those which had appeared in the Financial Times.

But since Mr. Tether left the paper, the Lombard column had changed very much. Although the contributors were very distinguished journalists, it had completely lost its character. It was meaningless to call it The Lombard column now.

Mr. Thomas Morison, counsel for the Financial Times, commented: "Whatever your views about the articles, of course it must be the responsibility of the editor to decide whether they are published."

Mr. Tapsell replied that he was not qualified to make judgments about journalistic practice.

But he would have thought that with a journalist who had written a very distinguished column, and had a world-wide reputation over 21 years, a new editor would have been "very chary" about suddenly telling that columnist that a particular article was not of sufficient interest and quality to appear.

Mr. Morison: "I do not think the new editor of the Financial Times would disagree with that."

Later, Mr. Tether told the tribunal that the documentation relating to his written contract with the Financial Times clearly established him as a columnist.

The nature of the Lombard column was implied in the contract by the arrangements which evolved under Sir Gordon Newton's editorship.

The terms implied provided that he should write an independent commentary ranging over the fields not only of finance, banking and economics, but also of political economy, politics, social affairs and any other related subjects.

Under this contract, as Sir Gordon Newton's evidence indicated, he could choose subjects without prior consultation with the editor, and also determine the way in which he would write on these subjects.

The directive Mr. Fisher sent him on July 8, 1974, stipulating that in future his articles would have to be confined to the general economic, financial and banking scene, with a special dispensation for the Common Market issue, thus amounted to a fundamental breach of contract.

Options

Then Mr. Tether raised the question which the tribunal chairman had put to him—whether his decision to remain at the Financial Times after the directive did not mean that he had accepted the new terms.

But he disagreed with the chairman's presentation of the options open to an employee when it became apparent that his employer showed an intention not to be bound by their contract.

Immediately after the directive, he had told the editor that he would not comply with it. He continued to work in accordance with the terms of his existing contract, and regularly submitted articles outside the directive.

It could manifestly be argued, he said, that the Financial Times was acquiescing with what the newspaper saw as repudiatory conduct by continuing to employ him even though he was in breach of what it held to be his contract.

The fact that he remained in the employment of the Financial Times could not be taken to indicate he had acquiesced with these new terms.

The tribunal was adjourned until to-day.

PARLIAMENT AND POLITICS

'Hopes dim' for human rights statement

LITTLE CHANCE exists of an agreed final statement on human rights coming from the Belgrade Reveiew Conference on the Helsinki Agreement, **Dr. David Owen**, Foreign Secretary, told the Commons.

"I would, however, claim that for the first time ever all the countries that signed the Helsinki Final Act have had their record on human rights examined, criticised and have *had an opportunity to respond.*"

He stood by the position he had taken on human rights when he *became Foreign Secretary.*

"It cannot be an offence to monitor the progress of the Helsinki Final Act," Dr. Owen added when asked about a report that another Russian was likely to be added to the 17 *already imprisoned without* trial in the Soviet Union.

Although the Heads of Government of all the attendant States had signed at Helsinki, a number of member-States had not given facilities to people *to monitor the Final* Act, he complained.

Mr. John Watkinson (Lab., *Gloucestershire W.*) thought that any final statement that did not include human rights would be "an absolute mockery of the Helsinki Agreement."

But Dr. Owen thought a final statement that reflected the fact *that member-States could not* agree was "better than cosmetic agreement which makes it appear there has been more agreement than there has been."

Mr. John Davies, shadow Foreign Secretary, thought the Government *should not be party* to such an emasculated statement as to undermine people's confidence in human rights.

Millan expects harder referendum campaign

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A LAST-MINUTE appeal for the Commons *to throw out the* Government's Scottish devolution legislation and save the country *from* its "awful consequences" was made by **Mr. Francis Pym**, shadow Leader of the House, last night.

Mr. Pym warned that if the Bill was approved, the entire British political system might break down because *of the anomalous* position of Scottish MPs at Westminster.

They would still be able to vote on matters affecting England, although their English colleagues would not have a say on devolved Scottish matters.

Mr. Pym also maintained that if the Bill were passed it would be *the first step on the path to* complete separation for Scotland—a proposition immediately greeted by enthusiastic cheers from Scottish Nationalist MPs.

Throughout his long speech, Mr. Pym had to endure the *taunts* of Labour and SNP MPs who wanted to know what the Conservative counter-proposals were on devolution.

On this point, *Mr. Pym again* called for an all-party conference to be convened to work out proposals.

Guillotine

Mr. Pym was speaking as the House commenced the crucial third reading debate on the *Scotland Bill. This followed the* long-drawn discussions on the earlier stages of the legislation which had taken 109 hours spread over 18 days.

In addition, 127 hours over 16 days had been spent last year on *the original Scotland and Wales* Bill which was withdrawn by the Government.

According to Mr. Pym, the Government's use of the guillotine *on the present* Bill had reduced the proceedings to a farce. The Bill, was, he said, unworkable. The House had failed the people of Britain.

The Tory spokesman was particularly scathing about the lack of opportunity to debate whole sections of the legislation. Out of 150 clauses, only 37 had been *debated and only one out of* eight schedules.

All this was rejected by **Mr. Bruce Millan**, Scottish Secretary, as "grossly exaggerated." He claimed that the Tories had now abandoned any hope of bringing *forward counter-proposals of* their own.

"The system here in this Bill is good for Scotland and I believe it is also good for the people of the U.K. It will increasingly be seen to be good for the U.K. as *the devolution proposals take* effect," Mr. Millan said.

Mr. Millan explained that the Government would not try to make changes in the Lords to throw out the major amendments which had been inserted in the Bill in the Commons.

It would not attempt to alter the restrictions put on the date of he referendum nor the provision *that 40 per cent. of the electorate* must vote "Yes" in a referendum if the Bill was to become law.

"I *simply reiterate that the* Government believes this clause to be damaging and could have *potentially serious political repercussions in Scotland.*"

But if those in favour of the 40 per cent. clause thought that they had put an insuperable barrier in the way of devolution they would be deluding themselves.

It would only mean that those in favour of the legislation would campaign even harder in the referendum.

Mr. Millan indicated that the Government would seize the opportunity in the Lords to alter the Liberal amendment which allows Orkney and Shetland to have an option on whether they want to come under the Scottish Assembly in Edinburgh.

The Minister pointed out that this did not exclude the islands becoming part of the assembly *in due course.*

Rather than the present amendment, he suggested it might be better to have a clause writing in various safeguards on the points worrying Orkney and Shetland.

Shouts of protest came as Mr. Millan continued: "The Government is completely unrepentant about the use of the guillotine on this Bill. No Bill of this nature is possible without a guillotine motion."

Safeguards

He conceded that it was true that many of the clauses had not been debated. But there was angry dissent when he went on: "It is also true that virtually all the major issues have in fact been debated."

Mr. Timothy Raison (C., Aylesbury) intervened to say that one important matter which had not been discussed had been incomes policy.

It was still not clear what would happen if the Westminster Government had a 10 per cent. pay limit and the Scottish Assembly decided on a 20 per cent. ceiling for Scotland.

Turning to the general issues, Mr. Millan said: "I do not believe that the vast majority of people in Scotland want independence or separation."

Arguments for a federal Britain, however, did have a *certain coherence. But there* were very great difficulties in the way of this when 83 per cent. of the population of the U.K. lived in England.

He thought there was overwhelming evidence that the *Scots wanted a scheme of devolution* within the U.K. This was all the more necessary as the gradual increase in the powers of the Scottish Office had now reached the practical limit.

"We can do it for Scotland in a way that does not prejudice the unity of the U.K. and in a way that will meet the long-expressed desires of the people of Scotland."

The Conservatives, he said, had put forward their original suggestions on devolution four years ago.

But now all that came from the Opposition was a call for further consultations—"more talk about talk about talk."

It was, be claimed, just a continuation of the Conservatives' delaying tactics.

He agreed that there were *possible sources of friction* between Westminster and the Assembly in the Bill. There were possibilities of friction in any system but he believed that these could be overcome by good sense and moderation.

If the House of Commons denied the right of the people of Scotland to make changes in their government, then that denial would be called into questioned by the people of Scotland.

The debate was now moving out of Parliament and into the hands of the people of Scotland. He believed the Bill would have their support and that the proposals for the Assembly would be implemented.

Immigrant poll test looms in Lambeth

By Philip Rawstorne

THE GOVERNMENT now faces a by-election in Lambeth Central, a South London constituency with one of the biggest immigrant communities in the country.

The contest—caused by the death of Mr. Marcus Lipton (Lab.) yesterday—*will inevitably* intensify the inter-party row over immigration policy.

It will provide the first real test of voters' reactions to the Conservatives' hard-line attitude which has apparently restored their lead over Labour in recent opinion polls.

With the National Front certain to join the campaign, Ministers fear the by-election could be one of the stormiest since the war.

Lambeth Central, which superseded the old Brixton *constituency in 1974*, has been a safe Labour seat.

Mr. Lipton, who has represented the area in the Commons since 1945, had a majority of 8,677 at the last general election.

Three other by-elections are still pending. Ilford North, a marginal Labour seat, goes to the polls next week. Contests *are expected in April in the* safe Tory seat, Wycombe, and at Glasgow Garscadden, where the Labour majority will be strongly challenged by the Scottish Nationalists.

Mr. Lipton's death reduces *the Government's strength in* the Commons to an overall minority of seven, even with the support of two Scottish Labour MPs and the two Irish Independents.

A barrister and former Lt.-Col. in the Territorial Army, Mr. Lipton had announced his intention of retiring at the next General Election. He was 77.

He first fought the Brixton seat in 1935 and had been active since before the war in *the area's local government.*

In the Commons, he established a reputation as an assiduous backbencher with a dry wit and a penchant for offbeat campaigns.

At various times, he *campaigned for painting cows with* luminous paint and against greengrocers who painted peaches. He fought to ban hare coursing and hang-gliding. He was a constant critic of the judiciary.

Mr. Lipton was the first to name Kim Philby publicly as the "third man" in the Burgess and Maclean spy case.

He was forced to retract the charge but when it was finally substantiated he received an *apology from Harold Mac*millan, then Prime Minister.

Ten-minute rule Bills protest

A CHANGE in the "nonsensical" procedure for introducing ten-minute rule Bills is demanded by Mr. Harry Gourlay, Labour MP for Kirkcaldy, in a Commons motion, signed by 50 MPs.

The motion claims that people are misled by the present procedure into believing that the law is *about to be changed.* In many instances, it was known that the Parliamentary timetable made this "virtually impossible."

Mr. Gourlay said: "My purpose in tabling the motion is to try to let people know *that this* Parliamentary device is a nonsense." He wants 10 minute rule Bills restricted to one a week.

Labour executive tones down Budget demands

BY RUPERT CORNWELL, LOBBY STAFF

REPRESENTATIVES OF Labour's national executive committee last night set out to Mr. Denis Healey, Transport House's version of what the Budget should contain, with a total reflation of £4bn. in a full year.

This figure is well *above the* sum the Chancellor will want to inject into the economy on April 11—especially after last week's disturbing batch of internal indicators and the Prime Minister's forebodings on Tuesday about the international economy.

Even so, the document the NEC finally approved yesterday *amounts to something of a climb-down* from the increased demands made last week by the party's key Home Policy Committee, which was seeking £4bn. in 1978/79 and around £6bn. in a "full" year.

The *difference in terminology* is accounted for by the inability of departments to carry out approved capital-spending projects at once.

The home policy group had wanted to make up for this by stepping up present spending if required.

The more cautious line was pressed on the NEC by Transport House research staff.

They argued that in the interests of political credibility *it would be best to tone the* request down to under £3bn. for 1978-79, although it did not rule out a compromise at £3.5bn.

Mr. Healey has not given the impression of being in a hurry to hear the NEC's views on his Budget, and last night's meeting had apparently been *on* the cards for five weeks.

His response almost certainly will have been *non-committal,* though not without sympathy for the executive's over-riding concern to re-stoke the economy and cut unemployment.

Under Transport House's original scheme the main beneficiaries would be the National Enterprise Board, with £525m. in 1978-79 and £810m. in a full year, child benefits with £250m. (£600m.) and the health service with £50m. (£300m.).

The estimated net effect on the public sector's financial deficit would be £2.4bn. in the first year and £3.45bn. thereafter.

Main tax concession would take the form of higher allowances offset slightly by an increase in petrol tax, reduced mortgage relief, and a clampdown on tax avoidance and evasion.

The TUC appears to be setting a higher figure on its Budget demands than before, Christian Tyler, Labour Editor, writes.

Its economic review, endorsed by the general council yesterday, will show that the unions are looking for a reflationary boost of £3.6bn. this year, equivalent to £4.5bn. in a full year.

This compares with the previous figure of *£3bn.-plus quoted* in meetings with the Chancellor.

The impetus for a higher figure appears to have come from Mr. Jack Jones, retiring general secretary of the Transport Workers, who suggested £4bn. at the last meeting of the TUC's economic committee.

That figure was not formally adopted, but his general line of argument—for a bigger pensions rise and more spending on public services—appears to have been incorporated.

The TUC is still, it is thought, sticking to its figure of £2.1bn. as the necessary size of cut in income-tax.

It is arguing for reintroduction of a reduced rate band of income-tax of 25 per cent. *on the first* £1,000 of taxable income.

Its economic review will be published on Sunday night, and may be followed by another meeting with the Chancellor.

NEC go-ahead to spend £50,000 on opinion polls

BY RUPERT CORNWELL

LABOUR'S NATIONAL Executive yesterday gave the go-ahead for the party to spend £50,000 on private opinion polls in the *run-up to the general election*—far less than the £150,000 allocated in the double-election year of 1974 for the same purpose.

Mr. Ron Hayward, the party's general secretary, argued for more, but the demand for £50,000 *ran into considerable opposition* from some NEC members, and was only approved by 14 votes to seven.

The money will be devoted primarily to "issue identifying" research rather than straight polls on voting preferences of the type published by newspapers and to which Transport House *already has ample access.*

Just how Transport House's top-level Campaign Committee opts to spend the £50,000 remains to be seen, but it was being estimated last night that the cost of a single nationwide poll *was about £5,000.*

Comparable figures for the Tories were not available yesterday. But for the current financial year Central Office says it will spend considerably less than *£50,000 on polls, again in* the hope of identifying issues of impact with voters.

Meanwhile Labour chiefs have nominated Mr. John Cartwright (Woolwich East) and Mr. Arthur Latham (Paddington) as the two MPs *to carry out an investigation* on how to end the role of the Channel Islands as a tax haven—something, which the party estimates now costs the Treasury £100m. a year.

It is hoped they will begin their study as soon as possible, before reporting back with firm recommendations for change, most probably by plugging existing loopholes in favour of tax exiles.

This is regarded by Transport House as the most promising approach, as it would largely avoid raising tricky constitutional issues about the islands' status.

Owen finds Tories less hostile on Rhodesia

By Ivor Owen, Parliamentary Staff

BROADENING AND widening the area of agreement reached in the internal settlement talks in Salisbury, coupled with progress in securing greater unity among *the nationalist* movements, offers the best hope of a successful outcome to the Rhodesia negotiations, Dr. David Owen, Foreign Secretary, maintained in the Commons yesterday.

Despite declaring himself "unrepentant" in believing that the most important task is to try to bring all the nationalist leaders together, Dr. Owen encountered less hostility from the Tory benches than on Thursday last week when he adopted a similar stance.

He again insisted that there was no question of giving the Patriotic Front leaders, Mr. Joshua Nkomo and Mr. Robert Mugabe, a power of veto, and underlined the importance of ensuring that the final settlement terms include an amnesty provision to safeguard the position of Mr. Ian Smith and others.

Mr. John Davies, shadow Foreign Secretary, claimed that the changed atmosphere on the Tory benches was the result of Dr. Owen's "markedly more conciliatory tone" towards the internal settlement proposals.

Dr. Owen retorted that in the light of the events of the last few days more and more people had come to recognise that his initial response of "caution" was wise.

Mr. Bruce Grocott (Lab., Lichfield and Tamworth) argued that it was psychologically impossible to expect African nationalists who had been imprisoned, tortured and seen their friends executed by Mr. Smith and his *associates over the last 12 years* to agree to an amnesty. It was equivalent to having expected the Free French forces to give an amnesty to Marshal Petain.

Dr. Owen pointed out that an amnesty had been included in the Anglo-American proposals. "I believe that if you are to get a peaceful settlement and a non-racial independent Zimbabwe you will have to turn that page of history and not look back."

He agreed that this was asking a great deal. "But I am quite convinced that an amnesty is an essential agreement for a new independent state of Zimbabwe."

When Mr. George Rodgers (Lab., Chorley) contended that the voting formula adopted in the Salisbury talks was not in accordance with the six principles, endorsed by successive British Governments, the Foreign Secretary recalled that the Anglo-U.S. proposals had included provision for specially elected members as part of the machinery for protecting the minority.

But anxiety had been caused in Rhodesia and outside by the fact that the number of specially elected members should be as large as 28. It was important that the specially selected members should not be able to form the Government and by linking with the minority be in a position to subvert the result of the general election.

Nor should the 28 specially elected members be able to elect or impeach the president of Zimbabwe.

Dr. Owen stressed that there appeared to be disagreement among those participating in the Salisbury talks on still quite major issues. These included whether or not the transitional Cabinet should reflect the balance on the executive council.

Clearly, the nature of the transitional Government and the extent to which the world could see the transition towards black majority rule the more credibility it would have.

Tory backbenchers were still highly critical of what Mr. Julian Amery (C., Pavilion) termed Dr. Owen's "blatant advocacy of the Patriotic Front." As a result the Patriotic Front "had the tails up."

Mr. Amery, with support from other Right-wing Tory MPs, challenged the view that the lifting of sanctions against Rhodesia was basically a matter for the U.N.

Dr. Owen replied that even if the U.K. decided to lift sanctions this would not affect the position of the U.N. which had made sanctions mandatory on all members. Reaffirming that there was no question of giving the Patriotic Front a power of veto he promised to continue his efforts to try to convince Mr. Nkomo and Mr. Mugabe of the need for a peaceful settlement.

Peer warns on profit sharing proposals

A POLITICAL consensus on profit sharing schemes for workers was urged by both Liberal and Tory spokesmen *in the Lords* yesterday.

But one Labour peer Lord Darling, a former Minister, complained that Government proposals were too restricted and not attractive to employees.

Liberal leader, **Lord Byers**, had initiated a debate in which he welcomed the Government's declared intention to include profit sharing incentives in the Budget.

Lord Darling argued that the Government's proposals meant the equivalent of a few weeks wages would be tied up for five years without much chance of increasing in value.

Most employees would prefer to have a cash bonus rather than this complicated arrangement of shares being handed to them whether they liked it or not.

Lord Drumalbyn (C) said he supported the encouragement of profit sharing investment schemes by tax incentives and in every possible way.

If employees could feel themselves involved in the interests of their company they would have a stronger sense of common *purpose and there would be more* chance of catching up and even overtaking our competitors.

Baroness Robson of Kiddington (L) said the schemes envisaged by the Government must be aimed at better company loyalty, better industrial relations, better productivity and more effective employee participation in the *managerial process.*

She added: "Above all, they must be aimed at creating a property owning democracy in this country."

Viscount Hampden warned of possible disappointment and *bitterness* among employees who were offered shares when the market was at the bottom, then compared themselves with those offered shares when the market was at the top.

"If you are going to have a share-owning democracy, let's not have a share-owning democracy with a lot of very bitter *shareholders,*" he said.

Viscount Massereene and Ferrard (C) asked: "Is it morally right for a man on a fixed wage to share in the profits when he *doesn't have to share the losses?*"

Government spokesman, **Lord Oram**, said profit-sharing was intended to be an incentive for economic growth. Everyone, whatever their political views, should be seeking to establish *a third sector of the economy* which was socially responsible and socially-owned.

It was within that sector that profit-sharing would flourish.

The Chancellor, Mr. Denis Healey, and Mr. John Pardoe, Liberal economic spokesman, had produced a document which provided a useful basis for legislation on profit-sharing, though there was nothing sacrosanct about any of the suggestions they had made.

Parties blamed for 'nation of Euro-grumblers'

BY REGINALD DALE, EUROPEAN EDITOR

THE ISSUE of Britain's EEC membership should be taken out of the domestic political party arena now that the Community *faces the first democratic elections* to the European Parliament next year. This appeal was made by Lord Thomson, of Monifieth, chairman of the British council of the European Movement, launching a *new nationwide EEC information campaign* in London, yesterday.

Lord Thomson, a former U.K. member of the European Commission, said that the future of Europe should become the central subject of debate at a *European general election instead of a football* to be kicked around for party advantage as a minor part of a British national election.

He blamed the front benches of both main political parties for *failing to dispel the myths about* the Community that were turning the British into a "nation of Euro-grumblers."

Lord Thomson said he was not arguing that the Government was wrong to fight for national interests like fishing, in the same way as all member States.

But the impression was often created that the U.K. *remained* reluctant members, regarding the Community as a confrontation between "them" and "us." His message to both Government and Opposition was: "It's not what you say. It's the way that you say it."

The campaign was welcomed by Lord Plowden, for the CBI, who said that Common Market membership was even more important in the present difficult economic climate. The EEC's free trade disciplines had undoubtedly helped Britain through the worst slump since the war, he declared.

He wondered how far the IMF would have been prepared to devote resources to backing the £ if the referendum verdict had been "No."

New EEC poll date likely

A FRESH date for direct elections to the European Assembly *is expected to be set at the* meeting of Common Market heads of government in Copenhagen *in April*, **Mr. Frank Judd**, Foreign Office Minister of State, said in the Commons yesterday.

He refused to tell MPs what date the Government would be suggesting.

Mr. Hugh Dykes (C., Harrow E) said that the Government could redeem Britain's flagging and almost non-existent European *reputation by taking an* initiative on the matter.

Mr. Judd told **Mr. Douglas Hurd**, Conservative foreign affairs spokesman, that the Government could not put forward a date for the elections until it saw what progress the European Assembly Elections Bill was making in the Lords.

Cancelled projects cost £40m.

CANCELLATION of defence projects in the past three years has cost £40.36m., **Dr. John Gilbert**, Defence Minister of State said.

Nearly all the expenditure was *on research and development*, he told **Mr. John Roper** (Labour Farnworth), in a Commons written reply.

The most costly cancellation at £16m. was the Sub-Martel underwater to surface guided weapon abandoned in 1975.

In the same year the Hawkswing anti-tank guided missile (cost £8m.), the RS 80 medium gun (£4.5m.) and the infantry company radar (£1.3m.) were cancelled.

Last year the P/PD artillery fuse was dropped costing £3.76m.

FINANCIAL TIMES SURVEY
Thursday February 23 1978

SCOTTISH BANKING and FINANCE

The vast majority of the banks in Scotland have moved in during the last few years attracted by oil development. Although competition has reached a level never before known, the performance of the Scottish economy remains sluggish and this year looks like being a tougher one for the banks.

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cottish banking scene has begun with the of new offices by a earing bank (Lloyds) eign bank (the Swiss rporation). Plus ca 1978 has started in same way as 1977 76 and, come to that, e only remarkable that the trend con- thout any signs of e.

are now 18 banks full banking services d not counting the offices of the three int stock banks, the , Bank of Scotland Bank of Scotland. further 37 merchant ondon and foreign representative offices finance houses, some nning to many more or two separate

And this list does not include the official and semi-official sources of industrial finance like ICFC, the Scottish Development Agency, the Highlands and Islands Development Board and the rest.

Edinburgh is not yet Hong Kong, but like that city it has become one of the fashionable places in which to establish an office. Some of the recent arrivals, like the Americans and the London merchant banks, have the added reason that many of their existing customers are now in Scotland, and others like the Hong Kong and Shanghai, the National Bank of Pakistan and the Muslim Commercial Bank (these last two both in Glasgow) can offer a distinct service to an ethnic group in the population.

But for many, Scotland is just the next place on the expansion map. Once the first names were established, the ball kept rolling under its own momentum.

Multiplier

The vast majority of banks have come in during the past few years, attracted obviously by oil development and the multiplier effect it has had on the rest of Scottish industry, but arriving nonetheless in a period when the boom has been fading and the growth rate has been declining towards the U.K. average.

Competition has increased to a level never before known, even in the heyday before rationalisation when there were as many different coloured banknotes as there were Scottish banking houses. There is little doubt that the newcomers have forced the local banks to smarten up their service, shave a little off their rates in some instances and become more aggressive. There is less doubt that they have taken some business away from them.

The question is still being asked whether Scotland is over-banked, usually by those who are being squeezed in the jostle for business or by those on the receiving end, the finance directors and corporate treasurers who are growing tired of turning away bright young men in smart suits. But it is perhaps too soon to ask it. Scotland still has a long way to go to catch up with some areas of the world and the number of institutions has nowhere near reached the point at which new arrivals inhibit economic growth rather than stimulate it.

But competition is being confined to certain well-defined areas, particularly in the wholesale fields. There are any number of institutions willing and ready to offer large sums of money to well-known quoted Scottish companies, the top handful of private firms and subsidiaries of multinationals. There are fewer prepared to look below this to the middle range of companies with solid performance records.

Similarly, there is intense interest in locations like Aberdeen and Shetland, where oil has meant an almost permanent boom, and less in the traditional industrial areas of Scotland which are going through something of a poor patch.

The Royal Bank of Scotland's Carlisle branch, which was opened in August, 1977.

And there is little real attempt to take over from the Scottish clearers in the retail field—despite the opening of a third branch, in Aberdeen, by the National Westminster and the counter service offered within the last year by Barclays, Lloyds and the Midland (in marked contrast to the closure of branches in the south by the Big Four).

"They are very magnanimous in saying that they are not looking for retail business—that they are not going to take much cash over the counter or hand it out. But the more they compete in that respect the better, because there is no way we are making any money out of it at the moment," said Mr. John Wilson, joint general manager of the Bank of Scotland.

After the buoyant period of 1976-77 when margins were high and the Scottish economy was performing significantly better than the U.K. as a whole, the last year has been a much less exciting one for the Scottish banks.

The rapid fall in interest rates, while stimulating lending slightly, left the banks at a disadvantage to the building societies in the competition for personal deposits, and it reduced margins. While sterling lending grew overall by 9 per cent. in the year to November for the three banks, the demand from manufacturing industry was practically static.

Agriculture (30.6 per cent. up) and services (14.8 per cent.) showed fairly large increases, as did personal lending, which rose from £216m. in 1976 to £245m. in 1977, an increase of 13.4 per cent.

Only one of the Scottish clearers, the Royal Bank, has so far reported for 1977, but the other two are likely to show similar trends. After a phenomenal 46 per cent. leap in pre-tax profits last year, taking them to £31.5m. last year, the figures this year for the bank itself is up by only 8 per cent. to £34.1m.

Group profit, however, was up by 11.8 per cent. to £40.7m. as a result of contributions from associated companies, including Lloyds and Scottish and Finance for Industry, and the sale of the loss-making Australian company, Associated Securities.

The chairman, Sir Michael Herries, drew attention to the contribution made by international business to the bank's performance—a notable feature of Scottish banking in recent years. The 41 per cent. increase in foreign currency advances to a sterling equivalent of £297.9m. helped to bring up the rise in total advances to 18 per cent. (a total of £1.1bn. for the year).

It is unlikely, either, that the Bank of Scotland, which is expected to report shortly, will be able to equal the 53 per cent. rise in pre-tax profits it achieved last year. Half-yearly figures last August showed a group operating profit of £13.7m., a 22.5 per cent. increase on the same period of 1976, but a drop of 13 per cent. on the first half of last year.

The two major subsidiaries of the Bank, the finance house North West Securities, and the merchant bank, Bank of Scotland Finance (now renamed British Linen Bank), both contributed improved results to the group, bringing total pre-tax profit to £13.9m.

The chairman, Lord Clydesmuir, commenting on the second half of the year, pointed out that interest rates were already falling. "Inevitably, in a continuing inflationary situation, expenses will rise steadily while both competitive influences and official measures place difficulty in the way of recovering the enhanced cost of our services from those who make use of them." Service charges—the subject of this last reference—are now under investigation by the price commission.

The Clydesdale Bank does not report until next month and does not issue interim figures.

Tough

The coming year looks like being a tough one for the Scottish banks, at least in comparison with the last few. Despite some improvement in oil industry activity and the hope that the spring budget will provide some stimulus in the personal sector, the Scottish economy as a whole is likely to remain sluggish for a while.

Mr. Grant Baird, the Royal Bank's economist, is still far from optimistic about the industrial scene. He points out that there is still excess capacity in Scottish manufacturing and doubts if the predictions from Government and industry of a 20 per cent. growth in investment will be reached in practice.

"There will be an upturn in corporate borrowing this year, but it will be slower and lower than most people expect," he says. However, bright spots are oil and the expected rise in real disposable incomes, which could go up by 4 or 5 per cent. in 1978, the largest jump since the early 1960s.

A Cashpoint terminal—a new service provided by the Royal Bank of Scotland.

Merchant banks enjoy success

AFTER A year in which the Scottish economy seemed, temporarily at least, to have lost its sparkle and be reverting to its pre-oil relationship with the rest of the U.K., it is tempting to take a rather pessimistic view of Scottish management.

Bankruptcies are now running at a rate approximately three times higher than new company formation, redundancies and closures are all too often in the headlines and industrial production is, at best stagnant. It is too easy to see this as the whole picture rather than the sum of distinctly different parts and to forget that there are geographical areas of the country which are still booming (Aberdeen is still bustling with activity, albeit at a less frenetic pace than two years ago), and even in the depressed areas there are well managed firms which have a proven record of success behind them and are investing.

Aggregated statistics will not give you evidence of that, but the continuing success of those merchant banks working the field suggests that the assertion is true. Although only one Scottish merchant bank (Noble Grossart) has so far reported for 1977, and its experience (for reasons examined later) may not be typical, the indications are that the others have had a satisfactory year.

Part of the reason for this is that the rich vein of middle range Scottish companies—mostly private, although including some of the smaller quoted firms—is not being overworked. The mass influx of London and foreign banks has for the most part left it alone, preferring to concentrate on the well-known names where published information is available to substantiate a good reputation and local knowledge is not so important.

There is no shortage of funds for a company of almost any size, however. At a time when foreign banks particularly are liquid and demand is depressed, few bankers can afford to overlook any reasonable prospective borrower. But while competition remains strong in the wholesale banking field, it is much less so when it comes to offers of corporate financial advice.

Of the four indigenous Scottish merchant banks, three are working largely in this middle stratum and appear to be doing well in it. They are the British Linen Bank (formerly the Bank of Scotland Finance Company), James Finlay and McNeill-Pearson. To them must be added the name of County Bank, subsidiary of the National Westminster, as practically the only London-based bank to challenge for a share of this market. Its Edinburgh branch is in the hands of two Scottish bankers and is acknowledged by its locally based rivals to be successful.

Within this group there are obvious differences. British Linen has the largest staff and has on call the widest range of expertise; together with County Bank, it has the ability to offer comparatively large loans and provide other services, such as leasing and the placing of equity, in addition to taking deposits and accepting and discounting bills of exchange.

Pre-tax profits at the end of January, 1977—the last year as Bank of Scotland Finance—was £1.9m. The indication from the parent bank at the half-way stage was that profits were up, and that is expected to be confirmed when British Linen issues its first report under its new name in April.

During the year the bank has been pushing ahead on all fronts. Loans and leased assets, which were £71m. in 1976, are expected to rise by between 25 and 30 per cent. to exceed £90m. The bank's investment subsidiary, Melville Street Investments, now has a stake in 12 companies—three-quarters of them Scottish—and British Linen has been building its reputation in corporate finance.

Its public involvements include the Scotcros acquisition of the French company Remy SA, Central Sheerwood's acquisition of Photopia (when it acted for the offerer), Aurora Holding's bid for Coltness Group (when it acted for the receiver) and the earlier rights issue by Coltness. It also placed £600,000 for the Glasgow company South Side Sawmills.

Fertile

British Linen is finding the field fertile enough to fuel its growth, although it also wants to develop business outside Scotland. "We are still at the stage where there are enough companies who don't have formalised links with other merchant banks," comments Mr. Hugh Young, assistant director responsible for corporate finance. "We have not gone out of our way to poach other people's customers."

Mr. Bruce Pattullo, chief executive, adds: "At the top end of the banking market—the blue chips—margins have become terribly fine. It is nice to have a few very good names on your books, but it does not help the profit and loss account very much."

County Bank's John Wood also believes that there are good companies not yet being fully catered for. "They are," he says, "the companies that have reached the critical point where they are too big to rely on overdraft, but have the potential to grow. They come to us for advice on refinancing existing borrowing and restructuring, and we can offer them working capital or the money for acquisitions or new plant and machinery. We can also advise on mergers and takeovers."

James Finlay is not expected to report for a while. Its 1976 figures, published last June, showed a pre-tax profit of £251,000, while McNeill-Pearson achieved a pre-tax profit of £72,000 in the 12 months to March 1977, compared to £12,000 for its first nine months of existence, which ended in March 1976.

Noble Grossart is the odd ma[n] out among Scottish merchan[t] banks in that, although [it] counts private as well as quote[d] companies among its customer[s] it has set out since its founda[tion] in 1969 to build up busines[s] on a U.K. basis and sees th[e] big London merchant banks a[s] its competitors.

Noble Grossart has what i[ts] managing director, Mr. Angu[s] Grossart, describes as a "modes[t] banking operation." Assets i[n] the 1978 balance sheet stand a[t] just less than £25m. The bank['s] stock-in-trade is expertise, pa[r]ticularly in the fields of co[r]porate finance and investmen[t] management.

"We have taken a very clea[r] view that the opportunities fo[r] us are in the tradition[al] activities of merchant bankin[g] which are related to the skil[ls] of individuals rather than [...] size."

It is a policy which has pai[d] off. Pre-tax profits in the 19[77] report are up for the ninth yea[r] in succession and have exceede[d] £1m. for the first time.

In his statement Mr. Grossa[rt] comments on the irony th[at] much of the bank's business [is] now in London, in contrast [to] the predictions when Nob[le] Grossart started that there wa[s] no future for a Scottish-base[d] merchant bank because mo[st] Scottish companies would lo[ok] to London for advice.

Ray Perma[n]

Ample funds for good borrowers

A SIGNIFICANT part of the Scottish clearing bankers' evidence to the Wilson Committee was taken up by refuting the claim that the institutions were too timid, too conservative, and too profit-conscious in their support for industry. At the same time, they admitted to some "defects or gaps" in the system, particularly in respect of smaller, unquoted businesses and advice on obtaining finance.

Privately, the bankers would go further. "Scotland is awash with money: the problem is how to find enough creditworthy borrowers," says one leading banker.

The accent is on "creditworthy": for the submission to Wilson defines fairly closely the risk limits the bankers have set in granting medium or short term credit. (They emphasise that they are *not* in business for long term credits.)

The submission admits that established business with a "track record" of success as well as the potential borrower's "capital base" are of prime importance in assessing applications for finance. This would put not only the smaller, unquoted businesses but also ingenious and enterprising people *without* a substantial guarantor or referee—in other words, the real entrepreneur of our age—beyond the pale of Scottish bankers.

Not so, at least not entirely so, retort the bankers. Small businesses, including some entrepreneurs without a proven track record now have a number of alternative sources of finance, such as the Scottish Development Agency with its separate small businesses division, the Highlands and Islands Development Board, if the business happens to be in its area, the Government, the local authorities, and the new towns.

In the Grampian Region, the North-East Scotland Development Association is understood to have a draft proposal for a trust fund to help newcomers with bright ideas but little cash.

Finally, Scotland's native merchant banks have, through a policy of relying on the quality of the individual rather than on his bank balance, promoted a number of new businesses, some of which, incidentally, can no longer be described as small.

Handful

For example, a textile business started by two brothers in their early twenties eight years ago with backing from Noble Grossart Investments has grown from employing a handful of workers at their South Ayrshire factory to 85, with both assets and annual turnover well over £1m.

Noble Grossart Investments, a subsidiary of the merchant bank Noble Grossart, has invested about £5.5m. so far in businesses, mostly manufacturin[g] and now has equity holdings [of] up to 40 per cent. in 13 ente[r]prises. Last year NGI sold o[ne] of its largest investmen[ts], Century Aluminium, to t[he] holding company Seltrust, wi[th] a profit of between £450,000 a[nd] £500,000.

One of the functions of [a] merchant bank is to act f[or] institutional investors in th[e] search for profitable outle[ts]. Melville Street Investments is [a] subsidiary of the British Lin[en] Bank, which itself is owned [by] the Bank of Scotland. It h[as] invested around £2m. in t[...] enterprises, one of which [is] South Side Sawmills, [...] Glasgow.

The company is one [of] Britain's largest do-it-yours[elf] distributors, with a turnover [of] over £11m. in 1976/77, and la[st] year one-sixth of its share ca[pi]tal was placed by British Lin[en] (then called the Bank of Sc[ot]land Finance Company) w[ith] institutional investors wh[ich] included Melville Street Inve[st]ments but also the Brit[ish] Rail Pension Fund, which w[as] recently in the news with [a] hotly contested acquisition [of a] major Scottish investment tr[ust].

Contrary to some vie[ws] pension funds are now v[ery] receptive to investment in [un]quoted companies, says [Mr.] D. Bruce Pattullo, Brit[ish] Linen's chief executive. One reason is the diminishi[...]

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Record year for the insurers

...TTISH life companies ...ays been a dominant ... the U.K. savings ...primarily through the ...ditional forms of with- ...endowment contracts. ...Widows, Standard Life, ...Provident and Scottish ...have been among the ...ng companies for with- ...erformance especially ...longer-term contracts.

...es with Scottish life ...s have every reason to ...ed with their returns ... At present this is ...le of the bonus season ...e Scottish companies ... declared rates so far ...le substantial increases ... bonus rates and ... record levels.

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...easing bonus picture ...ilt of two main factors ...l investment record of ...sh life companies and ...s made to contain

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...hen interest rates ...istorically high levels ...ie end of 1976 and ... gap between fixed- ...and equities also ... an all-time high, the ...companies invested ...ly in gilt-edged and ...d-interest stocks for ...yields available. The ...his investment policy ... through in 1977. Al- ... reports for last year ...n life company busi- ... not yet appeared, all ...itions are that they ... to invest heavily in ...977 with much more ... in new equity pur- ...it the life companies ...utation for flexibility ...ient and now yields ... they may well be ...ck more into equity

... companies have been ...ssure to contain the ...se in expenses result- ... inflation. Life assur- ...ed premium business with fixed loadings for expenses. The Scottish companies have managed to keep expenses within limits set by inflation and have not had to hold back profit to policy holders unduly. Most Scottish companies also get most of their business from insurance brokers and do not have an expensive direct sales staff organisation.

Equities

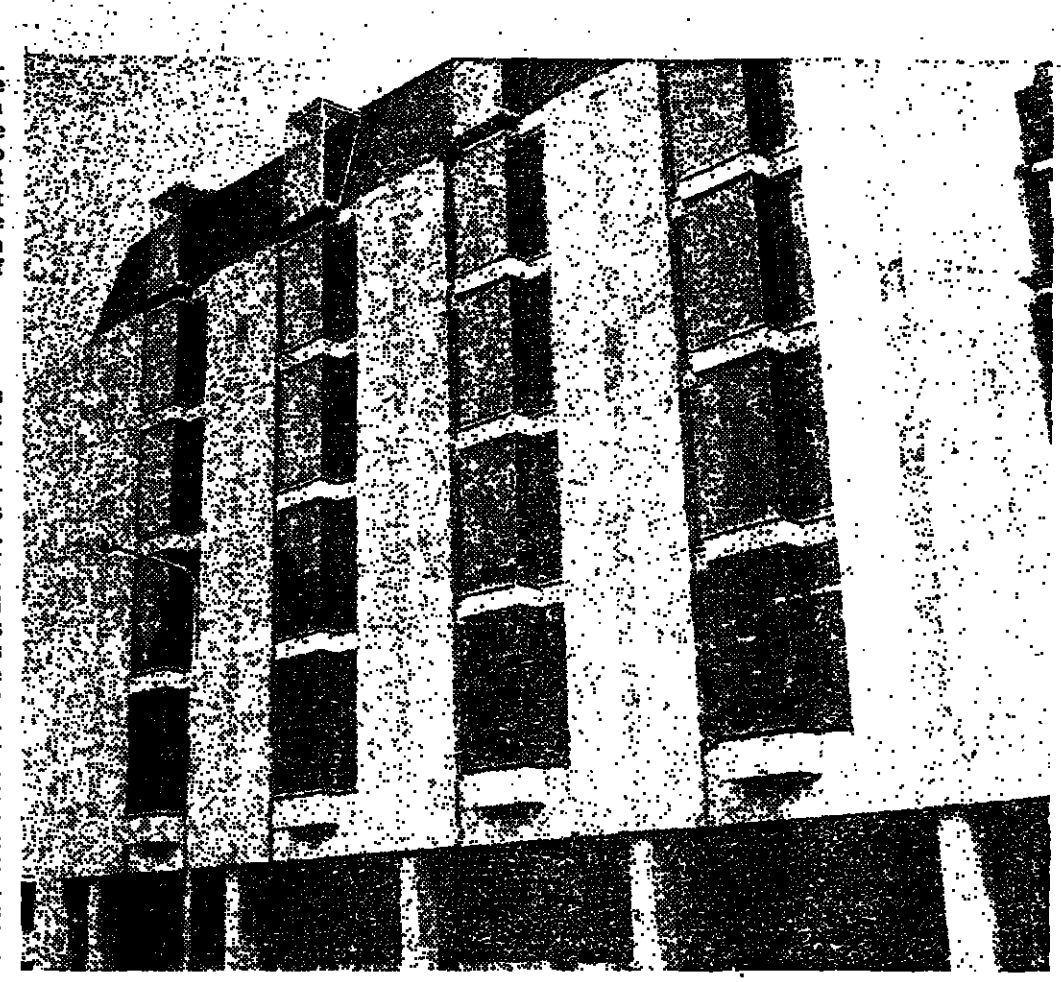
The Scottish life companies have in the main kept out of the growing unit-linked market, preferring to stick with the well-tried conventional savings products. Scottish Widows' has operated a linked contract, based primarily on equities, that has been a leader in its field. Scottish Equitable has operated a unit trust and has a savings plan and a bond linked to this trust. But no company has gone fully into the linked sector offering products based on a variety of funds—equity, property, fixed-interest, cash and managed. This is in contrast to many English-based proprietory life companies which launched out into this field last year. No doubt the fact that almost all Scottish companies are mutual ones, that is owned by the policyholders, had much to do with this holding back.

The general pattern of new business for Scottish life companies during 1977 was one of consolidation after two successive years of rapid growth. But then this was the overall pattern of life assurance sales last year. Individual business was generally slack and group pensions business was marking time ahead of the implementation of the new State pension scheme in April.

Standard Life, the third largest pensions company in the U.K., after Legal and General and Prudential, saw only a marginal increase in group pensions business last year with the increase coming mainly from upratings of existing benefits due to salary increases. But it is expecting 1978 to be a year of growth in this area as companies contract-out of the new State scheme. The company was ahead of the field in its documentation with the result that its clients were getting their schemes approved for contracting-out with a minimum of fuss.

Scottish Widows' had a similar experience in group pensions business and other companies recorded little growth, although Scottish Amicable had a 13 per cent. rise in new premiums.

The main areas of growth last year were in executive pension schemes and pension plans for the self-employed. In this latter area, Scottish Amicable, a leader in this sector, experienced a rise of over 300 per cent. with its new contract Flexi-pension and it had a growth of 30 per cent. in executive pension business. The companies have without exception made substantial increases in bonus rates for this type of business, the latest being that by Scottish Mutual.



Norwich Union House, St. Andrews Square, Edinburgh.

The experience of Scotland's only domesticated composite insurance, General Accident, for the first nine months of 1977 shows that it is recovering from the bleak results of 1975 and that 1977 should be a far better year than 1976—and full results for 1977 are due out next Wednesday. But the recovery has not been as good as was expected at the half-yearly stage. The group is the largest motor insurer in the U.K. and the number of claims rose sharply over the period under consideration. The market is looking for pre-tax profits £69m., compared with £42.6m. in 1976.

This recovery reflects the better economic conditions in the U.K. and the U.S. with inflation rates coming down from the high levels of 1975. The outlook for this year is good and the experts feel that the next downturn in the trade cycle for composites will not be nearly as severe as previously. The prospects for GA look good in the short term.

The Scottish insurance industry has made its apprehension known over the devolution proposals. Mr. R. E. Macdonald, general manager of Scottish Mutual and the immediate past chairman of the Associated Scottish Life Offices, has warned of the dangers of putting financial barriers between England and Scotland. The life companies have 80 per cent. of their business outside of Scotland and much more of their investment portfolio. Financial separation could have severe consequences on their business and hints have been dropped that they might remove their head offices to England.

Eric Short

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... applicants for Stock ...isting. As the capital ... longer provides funds ...rgish businesses, they ...pass it with the help ...merchant banks as ...nen, Noble Grossart ...her two native Scot- ...ant banks, the James ...poration and McNeill

...r newcomer on the ...ene is, of course, the ...Development Agency ... to date, in just over ... invested £17.3m. in ...ises, its investments ...om under £25,000 to ... Mr. Lewis Robertson, ... executive, says the ...ay be able to invest ...n over the next three ...idustry, or about one- ...ts total funds which ...o cover factory build- ...trial estates manage- ...ironmental improve- ... the rehabilitation of ...End of Glasgow.

... of course, an animal ... different from the ...id other financial ...s. Job creation or ...n is one of the ... its equity acquisition ...ng policies which ...SDA to the often- ... charge by the con- ... bankers of being in ... ducks rescue " busi- ...is, incidentally, a ...ich the chairman, Sir ...Gray, is at pains to rebut at every convenient opportunity.

The Highlands and Islands Development Board differs from SDA in that it may provide grants as well as loans for industry: in 12 years to the end of 1976 it was involved in 85 enterprises to the tune of £1.6m.

Applicants

The banks' own institutions for long-term finance, Finance for Industry and its subsidiary for medium-size and smaller companies, ICFC, in particular operate in Scotland along more orthodox lines. Nevertheless, ICFC's latest report emphasises that over 16 per cent. of its total investment in the U.K. in the year to March 31, 1977, was in Scotland, a higher proportion than at any time in the past.

Of the Scottish investment of nearly £5m., the new Aberdeen office was responsible for just over £2m. an indication of the city's significance as Britain's "oil capital."

ICFC has had offices in Edinburgh and Glasgow for many years and also has a merchant banking arm, Scottish Industrial Finance.

That there seems to be no shortage of finance in Scotland is borne out by successive CBI trend surveys which give this particular obstacle to growth a very low priority.

Indeed, the Scottish clearing banks themselves point out rather plaintively that a sizeable proportion of facilities offered to industry, overdraft as well as term loans, are not taken up.

According to the evidence to the Wilson Committee, their lending commitments to manufacturing industry between May 1975 and February 1977 increased by almost 15 per cent., from £670m. to £770m.: yet actual lending was virtually static, rising by only £8m. to £428m.

The reasons for industry's reluctance to invest, the banks say, should be laid at doors other than the banks: inflation, violent currency changes, Government policies, taxation, poor return on capital, etc.

As if to underline the banks' concern for the financial needs of smaller businesses, Sir James Blair-Cunynghame, chairman of the National Commercial Banking Group (which includes the Royal Bank of Scotland) went on record recently as saying that "special regard" would be paid to the needs of such businesses "whose success is so important to the well-being of the economy."

Could it be that too much money is chasing too little enterprise?

Andrew Hargrave

The overseas presence

IF ONE was asked to pick out one feature from the many that mark out Scottish banking over the last five years from any previous period, it would be the remarkable growth in international business, both by the indigenous banks and by the increasing range of overseas institutions now represented in the country.

Given the wide range and large number of different banks now represented, it is impossible to say precisely in figures how much currency business is actually now being done. But impressions are sufficient to indicate the scale of the change that has taken place.

One Scottish banker with 20 years experience in the international field, for example, remembers when overseas activity was a less than profitable side of total business: it was maintained as a service to customers if they required it, but not promoted. Now he is head of one of the most important divisions in his bank, which contributed more than a tenth of total profits last year. No longer is it necessary to keep quiet about foreign business, or indeed possible: the chairman draws attention to it in his annual statements.

Involvement

But if the involvement of Scottish banks overseas has increased, so too has the interest of foreign banks in Scotland. The list is already long and growing longer.

Whereas five years ago there were only a few intrepid foreign bankers in Scotland, now there are dozens. Some of the largest banks in the world are represented among the American contingent, which includes Bank of America, First National of Chicago, American Express, the Chemical Bank of Illinois, Citibank, Continental Illinois, National Bank and Trust Company of Chicago, and Manufacturers Hanover Trust.

Most of the larger London banks, including the Big Four clearers, have offices in Scotland from which they conduct international as well as domestic business, and Europe is represented by Credit Lyonnais, Bank of Europe, Banque Nationale de Paris and, most recently, the Swiss Banking Corporation.

From further afield there are the Bank of Nova Scotia, Standard Chartered and the Hong Kong and Shanghai Bank, plus a number of other Far Eastern institutions.

The overseas banks have been careful to maintain good relations with the Scottish clearers, which keep a parental eye over the whole scene. And, wearing their international hats (if not their domestic ones) they are welcomed as contributing to the increasing sophistication of the Scottish market and being possible sources of currency business through syndications.

Part of the reason for this mushrooming of foreign activity is the low base from which Scotland started. The local banks lagged behind their London counterparts during the 1960s and, despite rapid growth during this decade, have still to catch up in the proportion of total effort devoted to overseas business.

It is easy to criticise with hindsight and to ask why the Scottish clearers did not join the currency bandwagon earlier, but one must also remember that pre-oil there was much less connection between Scottish industry and the rest of the world than there is now. Few foreign—or come to that, London—financiers saw much reason to journey north of the border.

The North Sea boom changed that situation, like so many others. Not only was oil itself a dollar commodity, but its discovery and exploitation brought a host of new companies to Scotland used to dealing in currencies other than sterling and requiring funds on a scale hitherto rare. American companies were in the forefront, but there were also a large number of firms from other areas of the world, particularly Western Europe.

Exposure

Of the three Scottish clearing banks, the Bank of Scotland and the Royal Bank have developed their overseas activities most fully, both establishing distinct international divisions within their organisations. The smallest of the three, the Clydesdale, although building up its export finance services, has had a lesser exposure to currency business than the other two and is perhaps limited in building up its overseas representation by virtue of the fact that it is 100 per cent. owned by the Midland, which has itself extensive overseas business.

The Bank of Scotland set up its international division in 1975 in recognition of its growing foreign interests. Oil had been the catalyst, and the bank had already established an overseas office in Houston (1972) and taken part in some of the major syndicated loans to finance the Claymore and Piper oilfields.

Oil is still recognised as a major part of the division's sphere of interest and the bank's 15 per cent. share in the International Energy Bank continues to pay dividends. But international interest has expanded. A representative office has been opened in New York, it is no secret that the bank is looking at the Pacific Basin with a view to opening there and the bank has joined with Morgan Grenfell and Moscow Narodny in opening in the USSR.

London stockbrokers, Greenwells, estimated that international business contributed 14.2 per cent. to 1976-77 profits for the bank and will have increased this proportion to 19.8 per cent. during the present year. Growth during 1978-79, however, is likely to slacken as margins are reduced and the demand from top quality borrowers remains slack. Nevertheless, Greenwell's estimate that profits from international business could be £6.9m.—representing 21.5 per cent. of total pre-tax figures.

The Royal Bank opened its first representative office in New York in the 1960s and has followed it since with others in Houston, San Francisco and Hong Kong. The consolidation of these two spheres of interest — North America and the Pacific Basin — has followed with the acquisition of stakes in a finance house and banks in the Far East, and the recent decision to upgrade New York to full branch office status.

To do this, the bank had to satisfy the stringent conditions imposed by the New York State authorities, particularly concerning its autonomy in view of the 16 per cent. holding by Lloyds in the Royal's parent company, the National and Commercial Banking Group. Similar considerations could stop the Bank of Scotland, which is 35 per cent. owned by Barclays, from following suit.

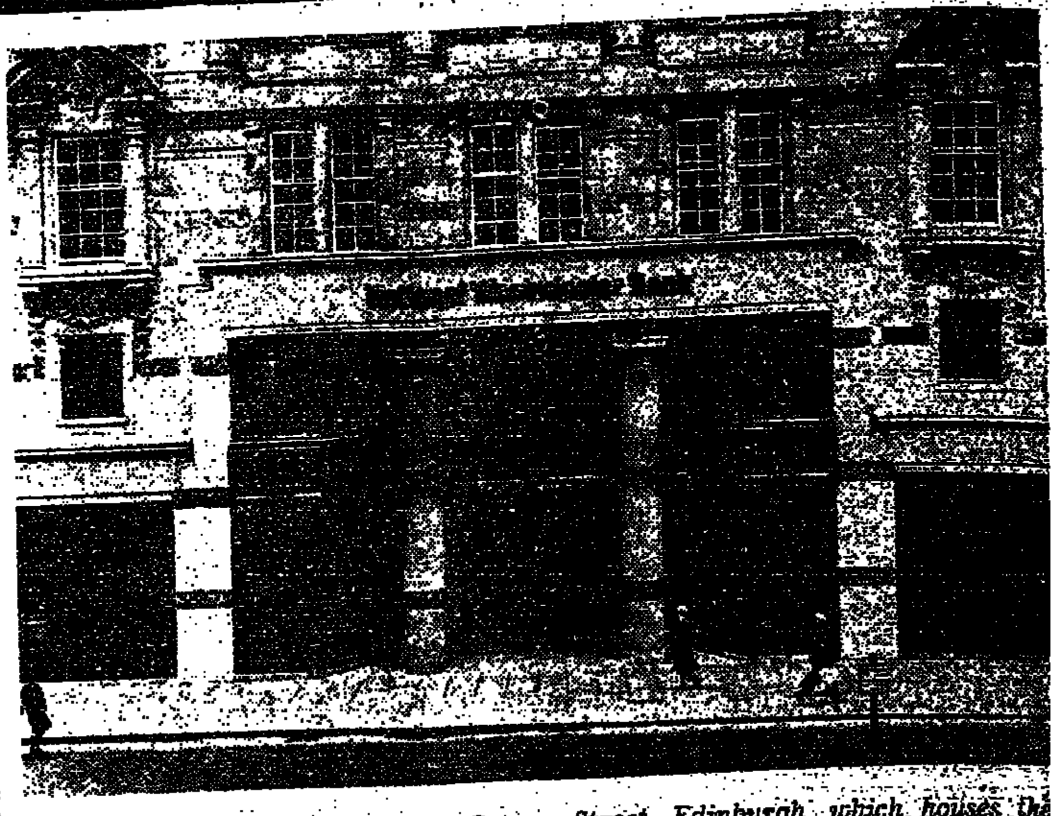
In May 1976 the bank took steps to provide itself with a capital base for dollar lending by raising a capital note issue of $30m.

Figures for the Royal Bank are harder to come by, and Greenwell's analysis lumped the bank together with William and Glyn's in estimating the share of international business to profits of the National and Commercial Group. On this basis pre-tax profits from international activities were thought to be £6.4m. (11.1 per cent.) in the year to September 1976. Last year's figure was thought to have dropped to £5.7m. (10.8 per cent.), but is expected to rise again to £7m. (14.3 per cent.) in the current year.

The Royal's international manager, Mr. John Mather, takes a similar view to his counterpart in the Bank of Scotland, Mr. James Young, in his attitude to business in the coming year. Despite evident pleasure at the rate at which international lending has increased over the past few years, neither man wants to see the acceleration maintained at the expense of the prudent, not to say, conservative, standards that the Scottish banks have adopted.

"We are quietly optimistic and constantly looking for new business," Mr. Mather commented, "but we are happy to see our market share drop. We obviously must be competitive on rates, but we do not have targets which must be met irrespective of standards."

R.P.



National Westminster's office in George Street, Edinburgh, which houses the Edinburgh branch, Scottish Executive Office and executives of the International Banking Division and Lombard North Central.

Investment trusts

THE PAST few months has been one of the most eventful periods ever for the investment trust sector of the Scottish financial management business, bringing to it a degree of publicity which it has seldom enjoyed.

Two of the leading trusts, including one which last year ranked fifth in terms of total asset value, were the targets of simultaneous bids from nationalised industry pension funds and succumbed only after prolonged resistance. Advertising was a major weapon on both sides and it was not unusual to see matching space taken in the same day's city pages to make the case for shareholders accepting the bid and the case for them refusing it.

In the end it was the pension funds who won. On December 13 Black Diamonds Pensions, a wholly-owned subsidiary of the National Coal Board pension fund, announced that it had either bought or received acceptances for 76 per cent. of the overall share capital of the Edinburgh-based British investment trust and declared its offer—first made public two months earlier—unconditional.

A day later the British Rail pension fund ("Britrailpen") followed suit and announced that it had secured three-quarters of the Ordinary capital of the Edinburgh and Dundee Investment Company. Its offer had been made formal in October and by the beginning of December the pension fund's advisers, merchant bankers Hill Samuel, disclosed that more than half the share capital was already in their hands.

The logic behind the pension funds buying into this less than glamorous market is easy to understand. The quoted prices of both trusts represented a considerable discount on the total value of their assets—mostly marketable securities. Purchasing the trusts therefore represented the acquisition of investment portfolios together worth some £180m. much more cheaply than they could have been obtained by dealing on the market.

This was in fact the very point made by the boards of both trusts in their appeals to shareholders. The BIT Board maintained its stand to the last day, asserting: "The offer is neither generous nor attractive and is a blatant attempt to buy your company far too cheaply." Mr. Hugh McMichael, chairman of Edinburgh and Dundee, told shareholders simply: "It's not enough."

Battles

The two takeover battles were watched with considerable interest in Scotland and the conclusion reached by some observers was that they may not be the last of their kind. Scotland has around 60 quoted investment trusts, most sharing in the reputation for quiet and prudent good management which has long been one of t[he] hallmarks of finance north [of] the border.

But the low profile wh[ich] many asset management co[m]panies prefer to assume, m[ay] also have contributed to th[e] trusts being so undervalu[ed]. A year ago, for example, [the] Association of Investment Tr[ust] Companies claimed that [the] average discount was 35 [per] cent., despite the fact that o[ver] prolonged periods they had [out]performed both ordinary sha[res] and unit trusts (then at [a] premium of 8 per cent.).

A survey carried out for [the] association by Edinburgh st[ock]brokers Wood Mackenzie [indi]cated that some of the Scot[tish] trusts were among the [best] performers. It would be [sur]prising therefore if a few ot[hers] did not attract attention f[rom] institutions with ... looking for employ...

But the publicity ...

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The Big Four rush north

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profile it had adopted before opening in Edinburgh last November. A lesser subsidiary reason may have been the fact that Clydesdale, alone of the Scottish clearers, has its head office in Glasgow while most of the other financial institutions centre on Edinburgh.

National Westminster, the first of the Big Four to arrive, just under 2½ years ago, had an additional reason to locate in Scotland. It was the only one without a stake in a Scottish clearer as, apart from the Midland/Clydesdale partnership, Barclays has a 35 per cent. holding in the Bank of Scotland and Lloyds a 16.4 per cent. one in the Royal Bank of Scotland.

When the first signs of the North Sea oil boom appeared in the early 1970's, NatWest saw an increasing number of its customers, private as well as corporate ones, drifting into Scotland: and although people tend to stay "loyal" for a year or two, they often change after the initial period to a local bank which in Scotland would, of course, be one of the three clearers.

NatWest recognised this potential danger as long ago as 1971 when a senior executive was sent on a scout mission to Edinburgh. He stayed on and off for two years, literally tramping the streets and doing a bit of lending on the side. At the end of his stay, he produced a report to the Board and it was on the strength of this that the bank decided to move into Scotland in force.

The Edinburgh and Glasgow branches were opened almost simultaneously in November 1975, followed by the Aberdeen branch a few months ago. In the same period, the staff has increased from 18 in the two cities to 58 in the three cities doing, according to the Scottish manager, Mr. Ivor Jones, a respectable volume of "retail" banking as well as the corporate staff. Moreover, Mr. Jones claims, the two original branches are now "earning their keep."

NatWest's philosophy in Scotland is further growth, all at a time when the Big Four are trying to trim their English branch network.

The question of where and when is one that NatWest's still growing band of competitors would like to know. Inverness, with its petrochemical expectations, and Perth or Dundee would seem to be the most obvious choices and Mr. Jones does not conceal his eagerness to expand his Scottish empire at the earliest opportunity.

NatWest's—and the other two London clearers'—most formidable rival in the corporate and international field is, of course, Barclays International which has, within the past nine months, not only upgraded its Edinburgh representative office to full branch status but opened two further branches, in Glasgow and in Edinburgh.

Domestic

The bank now employs 39 people in the three centres and has in charge of its operations Mr. Norman Ireland, a banker with 25 years' overseas experience. (Mr. L. W. Deane, of Lloyds, Mr. Ian Macleod, of Midland as well as Mr. Jones have domestic backgrounds although they all have senior assistants with international experience resident in Scotland. Again, unlike the other three regional managers, Mr. Ireland is a Scot, a native of Edinburgh.)

One of the four London clearers' main targets for expansion is the largish but not very large U.K. or Scottish company with some international links but not yet a multinational in the sense of operating in several centres away from the home base. Admittedly, on this score they meet the Scottish clearers head on, though not, apparently, the North American or European banks located in Scotland as these—in the view of at least one executive—"do not like to be bothered" with business worth less than $1m.

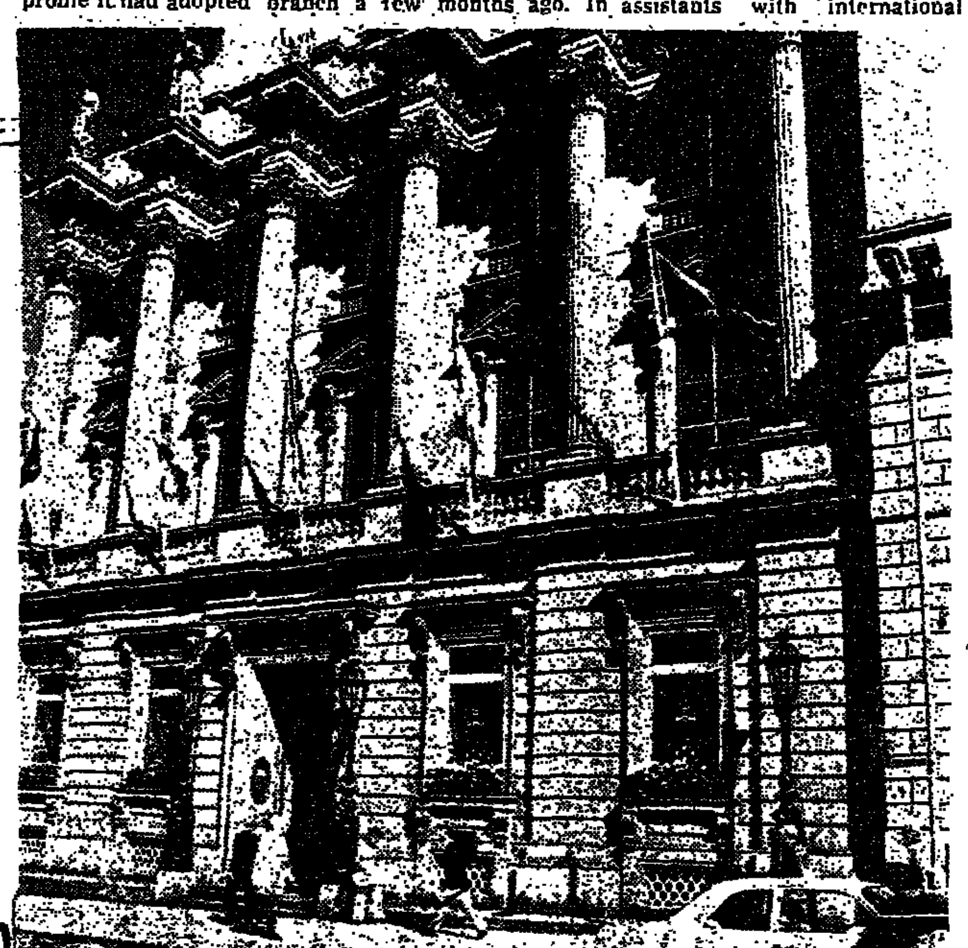
It is in this area of business that the London clearers hope to have the edge over their Scottish rivals with their large international network, expertise and financial weight. Although all Scottish banks have established overseas branches, subsidiaries or representative offices in recent years (even the Midland subsidiary, Clydesdale, has an office in Houston, the U.S. "oil capital" while the Bank of Scotland has gone as far as sharing a branch in Moscow), the London clearers have their own offices in many more countries, including the oil-rich Middle East states.

On the other hand, notwithstanding the rush from London, the Scottish clearers have all managed to expand their capital base in recent years, including a 20-fold growth of their currency business. They have also expanded their range of services to cover such items as leasing and factoring: though here again one should note that the London clearers' "package" includes similar services with substantially greater financial and other resources.

Whether, despite Mr. Jones's confidence and the perhaps more restrained expectations of the other Big Four executives, Scotland will prove to be a cost-effective location as well as a good defensive one to the London clearers only time will tell. Scottish bankers have been increasingly vocal in their view that the place is over-banked and any fresh "pickings" would be few and far between. (It is another way of describing cut-throat competition.) To which the London man newly in Scotland would answer, strictly off the record of course: "But then we can't afford *not* to be here." For whatever the pickings, they all recognise Scotland's significance as a "listening post" as much as a source of new business.

Then again there is that remote possibility of Scottish independence. As Sir Jeremy Morse, of Lloyds, put it—on the record—"the recent reassertion of Scotland's individuality which, however far it may or may not go politically, must make an international banker—even one based in London—say: 'Can we be in more than 40 countries and not be in Scotland?'"

Andrew Hargrave



k of Scotland International Headquarters, St. Andrews Square, Edinburgh.

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nanagers have tried to forestall the worst effects by transferring assets from the U.S. to the U.K. The Baillie Gifford managed Winterbottom Trust (one of the earliest to report for 1977), for example, increased the proportion of investments held in Britain from 41 to 53 per cent. over the year, largely at the expense of U.S. holdings, although the proportion of investment placed in Japan was also reduced from 8 to 1.5 per cent. because it was considered that the high valuation of Japanese shares was not justified by economic growth prospects.

Reviewing the year, Mr. S. A. Field, chairman of Winterbottom, comments that the rise of 62 per cent. in the FT Actuaries All-Share Index and of 27 per cent. in the FT Government Securities Index were to a considerable extent offset by the fall of 7 per cent. in the Standard and Poor 500-share Index of U.S. equities, which was magnified to around 16 per cent. by exchange rate movements and the dollar premium.

Income increased by 6 per cent. to £616,000 and the value of total net assets rose by 7 per cent. to £14.2m.

Looking ahead, Mr. Field says that it remains difficult to predict the outlook for company profits in the U.K. The U.S. has proved a disappointment recently and market confidence has been eroded by the weakness of the dollar. Nevertheless, "many American stocks of good quality appear to be attractively valued and, unless some entirely new factor arises, it is intended to keep a substantial proportion of funds invested in them."

R.P.

LEADING SCOTTISH TRUSTS

	Total assets less current liabilities (£m.)	Net asset value nominal (p)	Net asset value market (p)	Annual dividend	Investment currency premium
Alliance Trust	140.0	258.9	267.0	6.35	20.7
Scottish Investment Trust	108.2	113.7	117.5	2.56	10.0
Scottish Mortgage and Trust	104.7	130.2	132.5	3.0	10.7
British Assets Trust	94.9	78.6	84.3	2.2	8.0
Scottish United Investors	88.1	97.8	101.5	2.0	12.7
Edinburgh Investment Trust	84.2	253.1	267.5	6.3	13.3
Scottish Western Investment	66.7	103.9	108.9	2.2*	11.3
Scottish National Trust	65.4	172.1	175.0	3.45	13.8
Clydesdale Investment Trust	60.0	83.2	86.0	1.675*	8.8
Monks Investment Trust	52.1	58.9	59.6	1.4	4.6
Scottish Northern Investment Trust	51.7	117.9	126.1	2.8	6.0

* Applies to Ordinary/"A" Ordinary shares only. Scottish Eastern has yet to report.
Source: Association of Investment Trust Companies.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● TEXTILES

Spins fine counts

THERE ARE many rotor spinning machines being built in the world to-day, most of which are European. The system of rotor spinning is an alternative to ring spinning of textile yarns and it has the advantage of being able to produce packages of very much greater size than is possible with the classical ring frame. These yarns, while being weaker than those that are ring-spun, have a very much improved regularity.

A new, second generation, rotor spinning machine has just been introduced in West Germany by W. Schlafhorst and Co. (British agent: B.L. Engineering, 5, Acres Lane, Stalybridge, Stockport SK15 2LY. Tel.: 061-303 8381). The new machine operates on cotton-length fibres and has rotor speeds of 60,000 to 80,000 r.p.m. It is claimed to be specially suitable for spinning fine counts, while most competing machines are largely confined to medium to coarse count yarns.

The machine is built in sections, each with 24 spinning positions, up to a maximum of 168 positions and it is double-sided. It can be adjusted to produce yarn packages that are cylindrical, with a taper to 6 degrees or even a dye package.

In the new machine all the developments being aimed at by other rotor spinning machine builders are provided as standard. There is automatic piecing of broken ends, accompanied by automatic rotor cleaning and, when packages are full these are automatically doffed and new package centres mounted in the winding head, after which the position is automatically restarted.

Competition in this sector of the spinning trade is very keen with most machine builders facing considerable difficulties. The new Schlafhorst machine, because of its advanced design and many automatic devices is bound to be expensive and so will find market conditions that much more difficult, although it does have the advantage of being able to spin at very high speeds which compare with the 40,000 to 50,000 r.p.m. of most first generation machines.

● PACKAGING

Dividing the workload

FILLING machine manufacturer Neumo of Newhaven, Sussex, is hiving off some of its activities to a new company, Packaging and Processing, which has been formed to specialise in low to medium-speed packaging lines handling liquid, semi-liquid and soft solids-in-suspension for the food, paint and chemical industries. Both companies are subsidiaries of Paxall Engineering Holdings.

Main idea behind this move is to enable Neumo to expand production of its filling machines while Packaging and Processing undertakes initial assessment of customer requirements and copes with the acquisition, assembly and testing of equipment on its own premises. The latter company will also train operators and carry out final installation of packaging lines.

Neumo marketing director Gordon Harris is relinquishing this post to become managing director of the new company. Other directors will be Lord Thomas of Remenham and Sir Neil Shields.

Headquarters of Packaging and Processing will be at Quarry Road, Newhaven, East Sussex (079 12 4301).

● MACHINE TOOLS

Costs cut by tape control

SUBSTANTIAL SAVINGS are being achieved in production costs at Camco (Machinery) following the installation of two Richmond two-inch NC drilling machines.

The company, which is at Letchworth, Herts., makes a wide range of bindery equipment including a fully automated stitching, gathering and trimming machine. It also produces paper folding machines, guillotines, slitters and rewinding equipment.

Many of the components have to be drilled, tapped and reamed, and previously the company used radial drilling machines. These needed skilled markers-off, and jigs which would normally take weeks to produce at a cost of several thousand pounds.

With the Richmond machines, a tape can be produced in about eight hours, costing less than £25. Drilling jigs have been almost eliminated, and the company says it is saving as much as £10,000 in tooling and labour costs for each new model added to the product range. It has also been possible to reduce lead time for launching new products from 12 to three months.

The NC drills are made by the Richmond Machine Tool Co., Hillidge Road, Hunslet, Leeds 10 (0532 713646), a 600 Group company.

Gears made at higher speeds

A HIGH production gear hobber, introduced to the machine tool market by TI Churchill of Blaydon-on-Tyne, handles gears up to 400 mm (16 inches) diameter in fast cycle cutting times.

The PH400 is suitable for high volume or small batch applications on spur and helical gear production, and is also built as a fully universal machine to accommodate the production of wormwheels. By combining rigidity of structure and transmission, with simplicity of transmission and ease of maintenance, TI Churchill has developed an extremely accurate machine.

The PH400 readily lends itself to the fitting of automatic loading equipment, using a standard design automatic indexing turret mounted around the tailstock. This can accommodate a range of workpieces with easy changeover.

Capabilities of the machine are such that a 42-tooth spur gear with an outside diameter of 22mm. (8.7 inches) and face width of 38mm. (1.5 inches) can be cut using automatic double cut cycle with automatic feed change between cuts, in total cycle time of 5.5 minutes.

A 20-tooth steel (EN 351) gear with outside diameter of 140mm. (5.5ins.) and face width of 92mm. (3.6ins.) can be machined using the double cut method in a total cycle time of 11.1 minutes. This on a machine fitted with automatic loading equipment.

Charles Churchill, Shifdon Road, Blaydon-on-Tyne, Tyne and Wear, NE21 5AA. 089-425 2133.

● PROCESSING

Cleans the forging tools

GRAPHITE IS used in die forging to lubricate the component as it is formed. It remains as a burnt-on coating on dies, bolsters and holders, which has to be removed before inspection and resinking.

A GKN Forgings company, Garringtons, of Bromsgrove, used to clean the forge tools with trichlorethylene, burning off at 450 degrees C., and brushing, which produced toxic fumes and dust in the die shop, to a level unacceptable under the Health and Safety at Work Act.

The problem has been solved by the installation of a specially designed automatic Vaqua D cleaning plant, built by Abrasive Developments, Norman House, Henley-in-Arden, Solihull, West Midlands (05642 2231).

Capable of handling a maximum load of 30 cwt., the cleaning plant incorporates steam heating. Maximum efficiency is achieved at almost 100 degrees C—the temperature varies as a typical load of eight to ten dies acts as a substantial heatsink.

Items to be cleaned are loaded on to a turntable at either end of the machine. Automatic traversing through the machine takes the rotating turntable past five oscillating jet guns which spray hot water, air and abrasive particles. Cycle time is 20 minutes for dies and 45 minutes for bolsters.

Image copy made fast

THE NEW 1640 hard copy unit from Versatec produces multiple copies from any Hewlett-Packard 2640 series terminal including the new 2648A graphics display. Two models are available: the 1640 which serves one terminal and the 1640-S which serves up to eight terminals. Applications areas include process control and design work.

In ten seconds the 1640 will copy an image 9 inches by 4½ inches. There is little reduction in image size in copying: the Versatec copy produced is 95 per cent. of the original size. Price per copy is about 1½p.

The 1640 plots to a resolution of 160 dots per inch. Standard is the facility to produce a reverse image of white on black as well as black on white.

Like all Versatec plotters, the 1640 hard copy system operates as a high speed line printer as well as a plotter, printing at speeds of up to 1,000 lpm. The 1640 system will receive, print and plot data from serial and parallel inputs.

Controllers are available to link the 1640 to IBM, Data General, DEC, Univac, Hewlett-Packard, CDC and Interdata processors.

Versatec is at 27, London Road, Newbury, Berks. 0635 42421.

● ENERGY

Pumping heat into domestic radiators

AN EXPERIMENTAL central-heating system which promises to be twice as economical as the best existing units is to be installed in two semi-detached private houses in Veldhoven, a village near Eindhoven. The system consists of a small gas-fired stirling engine driving the compressor of a heat pump. The two parts together perform the same function as a conventional central-heating boiler. The system is a combined design of Philips and OGEM.

The experimental stirling engine is supplied by Philips. The remaining part of the system and installation in the houses are in the hands of Croon and Co. (subsidiary of OGEM).

From calculations and laboratory experiments at Philips it was already known that such a gas-fired stirling engine/heat pump would have about twice the efficiency of a conventional gas-fired boiler. The present co-operative project is intended to gather further technical data required to assess the technical and commercial viability of the system.

In addition to the stirling engine/heat pump, installed in a special housing behind the garage, a conventional central-heating boiler is to be installed. In this way it will be possible to make a direct comparison of the experimental system with the conventional boiler. Running parallel with these field experiments, to be carried out over two or three winters, the laboratory experiments now under way will be continued.

In the conventional internal combustion engine a gas-air mixture is burnt inside the cylinder to cause movement of the piston. In the stirling engine the fuel is burnt outside the cylinder, the heat produced passing through the wall to heat the (helium) gas contained in the cylinder. The gas then expands and forces the piston to move.

Because the stirling engine operates with external combustion, it can run on all sorts of fuels, for example, natural gas. It has the further advantages that the exhaust gases are relatively clean and that the noise level is low.

A heat pump is a device which extracts heat from an outside source at relatively low temperature such as the outside air (in Veldhoven the water in a well) and dissipates the heat at a higher temperature. A refrigerator is in fact a heat pump: heat is extracted from inside and liberated outside the refrigerator at a higher temperature. The heat pump of a refrigerator is usually driven by an electric motor.

In the experimental central-heating system, the heat pump is driven by the stirling engine whose waste heat passes into the central-heating circuit, together with the heat extracted from the ground water by the heat pump. It turns out that the fuel consumption is about half that of a good gas-fired boiler.

The engine used in the experimental system is a single-cylinder model delivering a shaft power of 5 kW.

Of the waste heat resulting from the combustion, about 55 per cent. is dissipated directly in the central heating water via the cooling system of the engine. About 25 per cent. of the heat of combustion of the fuel is converted into mechanical energy in the stirling engine; this energy drives the heat pump coupled directly to it. In this way 55 per cent. plus 25 per cent. equals 80 per cent. of the heat of combustion is put to use. The rest (20 per cent.) is lost.

The heat pump extracts heat from the well water. The quantity of heat delivered by the heat pump is about three or four times the mechanical energy consumed. A simple calculation shows that the total engine "efficiency" plus heat pump is 140 per cent.

The heat produced by the system is regulated to meet the demand by control of the engine speed between 750 and 3,000 rpm. These speeds correspond to a heat production of 8 kW and 25 kW, respectively.

Further from Philips at POB 523, Eindhoven, The Netherlands.

● SERVICES

Analysing top layers of atoms

SURFACE analysis services set up by Loughborough Consultants can provide aid in a wide range of industries. The service is based on a scanning Auger electron spectrometer installed by Loughborough University of Technology and is augmented by a comprehensive range of electron-optical equipment within the university. The service is aimed not only at research and development activities but, with a turn-round time of under a week, is proving useful in production problem-solving and quality control.

Commercial attraction of Auger electron spectroscopy lies in its ability to determine the chemical composition of the topmost two or three atomic layers of a sample. This is the region which affects adhesion, discoloration, catalysis, corrosion, wear and many other important processes.

The technique uses an electron beam with a variable spot size of less than 5 micrometres and can detect all elements in a sample except hydrogen and helium with a sensitivity of better than one atomic per cent of a monolayer. Successive surface layers can be removed by sputtering to allow changes in element concentration to be monitored as a function of depth. Analysis and sputtering can be carried out simultaneously using digital multiplexing routines, providing depth profiles through several microns of material, ideal for the characterisation of thin films and interfaces.

A visual image up to 2000 magnification can be produced by scanning the beam, enabling accurate positioning of the analysis point on the sample. In addition, the Auger signal from a single element can be detected as the beam is rastered over the surface, allowing the spatial distribution of the elements to be obtained and displayed either as a line scan or as a chemical map.

Loughborough Consultants, the largest U.K. university industrial consultancy, was established in 1969 to allow industry, local authorities and government departments to have access to the expertise and facilities of the university.

● COMPONENTS

Variable speed drives

PLATT Power Transmission will be exhibiting two new transmission units at the forthcoming IPHEX '78 Exhibition to be held at the NEC, Birmingham, from March 13-17 inclusive. They are a dc variable speed drive unit and a mechanical variable speed drive unit.

The new dc unit, the "Thyridyne," has been designed for the control of dc motor speed and is available in single and bi-directional regenerative control, in a power range from 0.1kW-600kW.

The "Transmatic," incorporates the Variomatic gearbox principle developed by the Dutch company van Doorne.

These units will be available in power ratings from 15-60 hp with variable speed ratios of 5:1. The incorporation of a wet plate clutch on the input side of the drives, as a standard item, assists acceleration and caters for overload conditions.

Platt Power Transmission, Featherstall Road South, Oldham, Lancs.

● DATA PROCESSING

Home micro teacher

LIKELY to be just what is needed by those who have a real need to know about, but nevertheless remain baffled by the microcomputer, is a home teaching system from ERA which offers a step-by-step approach to mastering the subject.

Central to the course, which has been developed in Germany by Standard Elektrik Lorenz (an ITT company) is a portable desk-top microcomputer unit based on an Intel 8080A incorporating a control panel which is used in conjuction with a set of overlays to guide the student through each teaching step.

Known as the MP Experimenter, the system allows knowledge to be accumulated with regard to a hypothetical processor, so that there is no bias towards a particular manufacturer. But later the student can simulate the particular product that he might soon have to work on. Price is £295 excluding VAT. More on 03723 74151.

Provides a fast memory

LATEST IN the family of add-on memories which SRL has been exploiting on the 1900 series computers since 1975 is the MOS 19E.

This provides error correction and facilities for error reporting and fault diagnosis. It is plug-compatible on all small and medium sized 1900 processors from 1901T to 1904S. A fast version for the large 1906A and 1906S is also being developed.

The unit is the first store in a new range based on standard boards, rack and backplane which will be adaptable to many add-on and system applications. Users committing themselves to MOS 19E can thus consider its future installation to a new mainframe when replacement is due.

The memory elements themselves are fast four Kbit integrated circuits in a 16-pin package, of which SRL already has production experience from their use in the MOS 18 memory for the BCL Molecular 18 computer.

Systems Reliability, Marshall House, 24, Rothesay Road, Luton LU1 1QX. Luton 38581.

Mini given a virtual memory

A NEW virtual memory computer the Prime 350, which gives users high speed and capabilities normally found only on larger Prime systems, has been unveiled by Prime Computer in Wellesley Hills, Mass, U.S.

Prime 350 runs programs as large as 768K bytes and offers a 50 per cent. performance improvement over the Prime 300 running Fortran applications by using 2K bytes of high-speed cache memory and standard floating point instructions. These features, along with Prime 400 and Prime 500 business instructions that it emulates, give the 350 a 200 per cent. performance increase in Cobol programs.

All users are given simultaneous shared access to two megabytes of virtual memory. Shared re-entrant procedures execute in a virtual memory that is segmented, paged and protected by multiple rings.

Prime computer offers a plan to allow existing 300 users to upgrade to the 350, which costs from £60,000 upwards.

The Prime 350 competes with such systems as the PDP-11/60 and PDP-11/70, and the Hewlett-Packard 3000 II series in the computation and interactive data processing markets.

Further from Prime Computer (U.K.), The Merton Centre, St. Peters Street, Bedford. 0234 65121.

Reading is easily seen

DEVELOPED by Strainstall of Cowes, Isle of Wight, is the D8000 digital display meter which it is claimed can be read a distances in excess of 10 metres under any lighting conditions.

Seven-segment one-inch high gas discharge characters are used in conjunction with a red screen to improve visibility. Housed in a standard DIN 144 x 72 mm casing, the unit will have application wherever readings have to be taken under less than ideal conditions.

The instrument serves as a voltmeter or, using internal frequency to voltage conversion, as a frequency meter or tacho meter. Other options include an output of isolated regulated power for associated transducer energisation, provision of latched, buffered BCD output, and a range of plug-in pre-amplifiers.

Basic input voltage handled is 0 to 1,999 volts dc with an accuracy of ±0.1 per cent. In addition, the measured voltage can be reduced so that the meter can be scaled in suitable engineering units. The maximum attenuation is 6:1. The unit can also work on a current input of 10 mA or 1 mA using internal resistors.

More on 098382 5111.

The Marketing Scene

EDITED BY MICHAEL THOMPSON-NOEL

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... founder of Franko's ... says that for $1-$1.50, ... can buy a packet of ...rite worms—12 to 15 ...vlers, perhaps, which ...gest sellers, 30 to 40 ... or red worms, maybe, ...gots. Next he plans ... to the minnow market. ...et up in business two ... He carried out his ...rch and development ...ement of his home,

...is own products in ...-developed preserva- ...signed his own vend- ...es.

...it he operates 52 of ...nnsylvania, Michigan, ... and West Virginia. ...o extend the number ... spring and is now ...ributorships. One ...e in Pennsylvania is ...$250 worth of worms

Volvo's £1m. sticks closely to Abbott

BY MICHAEL THOMPSON-NOEL

ENAMOURED of what it describes as David Abbott's significant contribution to the success of Volvo sales in the past two-and-a-half years, Volvo Concessionaires has switched its £1m. advertising account from FGA/Kenyon and Eckhardt to Abbott's new agency, Abbott Mead Davies and Vickers. Mr. Abbott left FGA last autumn after saying he wished to return to a more actively creative role within a smaller agency.

With its loss of Volvo, FGA's billings are reduced to £11.2m., though chairman Michael Gold said last night he had firm hopes of replacing Volvo with another car account. Mr. Abbott said yesterday that his new agency had put on approximately £1.4m. in new billings since he joined it last November 21, taking it to £3.6m.

A spokesman for Volvo Concessionaires said that partly as a result of Mr. Abbott's work, sales of its 2000 series, for example, had improved considerably to an expected 1978 sales figure of 21,000. "He understands our business and we understand him."

Volvo took trouble yesterday to stress that the move was in no sense a comment on the creative standards of FGA/Kenyon and Eckhardt, although Mr. Gold said he was disappointed the company had not given his agency long enough to demonstrate that it still possessed the necessary fire-power.

Volvo said it felt it was in its own best interest that Mr. Abbott's involvement be maintained, particularly with regard to important 1979 model developments. It did not say what they were.

● PLAYTEX has taken its £1.5m. Superlook and Body Language bra business away from BBDO and given it to Ogilvy Benson and Mather, the agency said last night. In the U.S., OBM already handles a substantial slice of Playtex advertising.

● VIA DORLAND'S Green Shield Trading Stamps is to launch a £600.000 advertising and promotions campaign to support its biggest-ever catalogue, due on February 27, of which 3m. copies are being printed at a cost of £750,000.

● GOLDEN WONDER is planning what it calls its biggest-ever assault on the £200m. U.K. potato crisp market where it is brand leader. The company has spent considerably on new packaging and is planning a £1m. national TV campaign, via Masius Wynne-Williams.

● BURSON-MARSTELLER, with current earnings of $17.6m., has extended its international PR network by opening an office in Berlin.

● MARSTELLER is to handle a £500,000 pan-European campaign for Black and White Scotch Whisky. Royds Advertising will continue to handle Black and White's U.K. business.

● ACCESS AND JWT have confirmed that the Joint Credit Card Company is to "assess alternative proposals from other advertising agencies" for its £1m. account. JWT is re-pitching. Any fresh arrangement would be effective from November, 1978.

● ITV's NET ad revenue in January was £24,795,672, compared with £18,384,461 in January last year, confirming the network's fast start to the year.

● BASE DATA for the figures quoted in "How TV Costs Are Moving" in last Thursday's FT came from the Independent Television Companies Association and the Joint Industry Committee for Television Advertising Research.

Why J and J grew up

BILLED SOMEWHAT grandiloquently as the "most important marketing event ever held in the U.K.," Marketing Workshop '78 which opened at Wembley Conference Centre on Tuesday, continued yesterday and finishes to-day, has nonetheless provided a relative feast of fast talking. To-day's three sessions for example, cover sales promotion—an aspect of marketing said to be growing at twice the rate of the advertising business—industrial marketing and the media scene.

The value a delegate derives from a conference clearly bears a close relationship to the effort he puts into it, although with three sessions running concurrently it is no easy matter deciding which seam to mine. The opening day, for example, included sessions on advertising effectiveness, product and package design, new techniques in direct marketing and mail order, and international export promotion as well as international PR.

Among the speakers at the direct marketing and mail order session was Dick Thomas, head of the selective response unit at Wasey, Campbell-Ewald, who reminded his audience that mail order catalogues in the U.K. are now generating around £1.5bn. worth of consumer sales and accounting for an estimated 14 per cent. of all household goods sold.

Catalogues were now used to sell everything from salami to diamonds to fishing rods. They provided wide geographical reach, delivered specific audiences and offered seven-day-a-week selling. "A catalogue never shuts; it can make a sale at any time of day or night."

Quoting examples from the U.K. U.S. and Europe, Mr. Thomas demonstrated how modern catalogues could be as all-embracing as Littlewoods', which offers 18.000 items, or as specific as the U.S. catalogue that caters exclusively though comprehensively for yachtsmen. Under the right circumstances, a mail order operation offered big opportunities for growth, as with the U.S. company that began by selling sheepskin coats by mail but was now selling everything required by the would-be cowboy or plainsman, or the one that initially sold dress designs but was now into full-scale mail order fashion.

There were a number of case studies on offer at Marketing Workshop, one of the more illuminating of which was Peter Mitchell's account of Johnson and Johnson's considerable success, since 1965, in re-modelling itself from a company specialising pricipally in baby care products to a fully fledged adult toiletries concern. In the U.K., for instance, Johnson's Baby Powder is brand leader in the total talcum market. In Italy, its Baby Shampoo is leader in the total shampoo market, and so on.

There were three main factors which in 1965 prompted J and J in the U.S. to re-position its baby products, said Mr. Mitchell: (1) the growth of spontaneous usage of its products by adults in baby households; (2) changes in the U.S. sales tax structure which ended tax discrimination between adult and baby toiletry products, and (3) fundamental realisation of the declining U.S. birth rate.

Fortunately, J and J had a range of products to hand that could be positioned in the adult market, although there was no suggestion of a need for product alterations, nor of a change of image.

The results have been dramatic. In the U.S., for example, dollar sales of Baby Oil improved by 148 per cent. between 1965 and 1971 and had been improving at a good rate ever since. In the U.K., sales of Baby Shampoo improved from an unmeasurably small level in 1973 to around 5 per cent. of total sales by 1976, while Baby Oil had grown by 38 per cent. in sterling terms during its test market over the past 12 months.

There were at least two lessons to be learned from J & J's success: "First, there is the basic recognition of the value of the products your company possesses—we call it old product development. Second, it is important to be very careful not to undermine your original market—in our case the international baby franchise."

The sales message in a flicker

VIA A NEW division, the Dayark group is in the process of introducing U.K. advertisers and agencies to what it describes as a unique medium for indoor and outdoor advertising display, the Ad-Up Solar Sign, which involves the arrangement of small coloured discs, known as flickers, on to a panel backing.

The flickers, available in 12 basic colours, are manufactured by Japan's Nippon Sheet Glass Company and produce a continuous shimmering effect which is said to give them an edge on conventional poster ads.

The system is already widely in use in Japan and the U.S.,

where outdoor displays of up to 200 square metres have been installed by companies like Coca-Cola, Yashica, the Matsushita Electric Industrial Company and Foster and Kleiser. Use of the system has also spread to Holland, as in the Heineken picture, Belgium, Austria, France, Germany and Ireland. Italy and the U.K. are the next targets. (The Heineken logo shows how the system can be used in conjunction with cut-out perspex lettering.)

In the U.K., Dayark says the cost of the system will be £65 per square metre in kit form or £100 per metre if the signs are ordered in made-up form. On the basis of current negotiations with companies such as Ford, Benson and Hedges and Guinness, it reckons it will sell at least 5,000 square metres of Ad-Up signs this year, and perhaps 8,000-10,000 metres' worth in 1979.

Apart from advertising and display, the system is also said to be suitable for stage and television settings and interior design work.

Rather grandly, Dayark claims its new system to be "the most promising medium of advertising of the day." The main features of the system are that it is light, inexpensive to assemble and easy to install: that it is durable and virtually maintenance-free, and that unlike neon and floodlit displays, it requires no power source. The system is also said to hold out forever in severe climatic conditions.

Luxembourg's comeback

BY PHILIP KLEINMAN

RADIO LUXEMBOURG is making an advertising comeback. Britain's oldest commercial radio service—though its transmitters are not, of course, in this country—suffered a decline in revenue after the establishment of the Independent Local Radio network, though last year the trend was reversed, and this year advertising sales are expected to double.

The company is coy about providing figures, but sales director Tony Logie hints that 1978 revenue should be at least £2m. Last year, he says, revenue was four times the 1976 figure. Assuming that in 1977 Luxembourg sold £1m. worth of airtime, then it was previously doing very badly.

The upturn dates from Logie's arrival on the scene last April. Advertising agency media people confirm that the 39-year-old former ad director of the Daily Express made a big impact. In the space of four months he made about 150 presentations, relying on research data from Gallup to push his argument that it makes sense for many advertisers to use a combination of Luxembourg and ILR.

It is a pretty logical argument. If it wasn't being pressed or heeded before, the reason is probably that the Luxembourg sales staff in London had, in Logie's words, taken fright. There were, in any case, fairly few of them. When Logie arrived, Luxembourg had five sales executives in London. Now his staff numbers 25, including a research manager, and they have just moved out of the company's main offices in Hertford Street to set up house on their own in Soho.

Radio Luxembourg, which has been broadcasting to Britain since 1934, can truthfully say that it is the only commercial station with a national, as distinct from a regional, audience. In the past there have been complaints of poor reception, but last year signal strength was increased and it now claims to be heard clearly in all parts of the country.

That includes towns such as Bristol and Leicester, which still have no ILR station of their own. It also includes areas such as Yorkshire, where Luxembourg claims greater penetration of the 15-24 age group than does ILR. "But what's really important," says Logie, "is what happens when you add the two together." The figures are 30 per cent. for Luxembourg, 22 per cent. for ILR, and 41 per cent. for a combination of the two.

It is to the youth market that Luxembourg makes its main appeal, of course, with its programme diet of continuous pop music. Nationally it claims to reach 28.5 per cent. of 15-24-year-olds over a two-week period. Over the same period it is listened to by a total of 4m. people, it claims.

Originally the station's English-language output was aimed at all ages—Hughie Green's "Opportunity Knocks," for example, started as a Luxembourg programme—but it swung over to its present policy in the 1960s. And the 15-24 age group has plenty of attraction for marketeers. According to TGI figures its members make considerably more use than does the average adult of such things as drinks, cosmetics and convenience foods and even of building society savings and bank accounts.

Banks, cosmetics, cars and convenience foods are all categories in which the station has recently been increasing its advertising revenue, helped by a claimed average cost-per-thousand of 43p. It is also helped by introductory test rates which give new advertisers 25 per cent. extra airtime, free of charge, for 13 weeks.

There is also a special new rate for record advertisers, who in the past constituted Radio Luxembourg's biggest source of revenue. Curiously, though, response from the record companies has been disappointing, and last year both drinks and white goods contributed more to Logie's sales figures.

Radio Luxembourg's biggest handicap as an ad medium is that it starts broadcasting to Britain only in the evening and goes off the air in the early hours. During the day its frequency is used for the station's German service. "We'd make a fortune if we could broadcast during the day," says Logie, but there is no likelihood of that happening in the near future.

Nevertheless, the fact remains that, as he emphasises, "with the advent of ILR more people are listening to more radio." Certainly ad agencies are taking a much greater interest in the medium, and the surprising thing is not that Luxembourg is now doing well but that it went through such a bad patch as it did.

In accordance with his view that ILR and Luxembourg can broaden the market for each other, Logie urges advertisers to use both. He is keen on the idea of co-operating with ILR in audience research, an idea which he has formally put forward to JICRAR, the Joint Industry Committee on Radio Advertising Research.

He would also like to have some link between his company and the Association of Independent Radio Contractors, if only to assist Luxembourg with its advertising code of conduct. At present Logie himself is a "copy committee of one."

LOMBARD

Mrs. Thatcher strikes a chord

BY RUPERT CORNWELL

IMMIGRATION presumably must subside as an issue, at least for a little while, in Britain's current general election campaign. At any rate it can hardly keep up the runaway pace it has made since Mrs. Thatcher first spoke of people's fear of being swamped by alien cultures on TV some three weeks ago. But before anyone assumes that a truce be declared in the higher interest of humanity, it is worth studying for a moment some remarkable evidence unearthed at Essex University on just how potent an electoral factor immigration, allied with its emotional stablemate of law and order, could be.

Maximum pool

We have, in a real sense, been round this course before: in 1970 to be precise, when as now the Conservatives were fighting to dethrone Labour at a time when the economy was starting to look more cheerful, and when immigration became a pretty potent side attraction. In a memorable phrase, Mr. Wedgwood Benn said the flag flying over Mr. Enoch Powell's then seat at Wolverhampton looked like the one which flew over Dachau and Belsen. Almost eight years later, Mr. Powell says he was deceived over the Tories' real intentions. Nonetheless, soon after his upset victory, Mr. Heath was pushing through Parliament the 1971 Immigration Act which remains the basis of Labour's policy in Government. And now we hear Mr. Merlyn Rees accusing Mrs. Thatcher of fomenting racial hatred, fiddling the statistics, opening the door to the National Front, and so on. Plus ça change. . . .

But to return to those Essex University findings, which attempt to quantify the votes that the Conservatives theoretically could pick up by hammering away on the two issues. They conclude that the maximum pool for Mrs. Thatcher to scoop in a perfect world comes to over 4m. votes. This staggering figure—one-tenth of the total electorate—is arrived at by adding together the "detachable" parts of the various voting categories at the October 1974 general election. There are, it suggests, 900,000 Labour voters, 1.75m. Liberals, and 1.6m. of those who did not bother to vote last time, who could be lured into the Conservative fold, if the impact of tough law-and-order and immigration talk is sufficient.

Of course, whatever happens, this nice little parcel of 4.25m. votes will not fall into Mrs. Thatcher's lap. First, predicts Mr. Ivor Crewe, a co-director of the project called British Election Study, there might be 100,000 (surprisingly few) existing Tory voters who would be frightened off; then there will be many, many others who are attracted elsewhere for different reasons; and the Shadow Cabinet almost certainly would not wear a concentrated campaign on immigration. But suppose she did manage to gather in just one in four, surely not too unreasonable a surmise? This would mean a gain of 1m. votes, or 2.5 per cent. of the electorate. The swing this would represent to the Tories would be less, at may be 1.5 or 2 per cent., because of converts from non-voters in October 1974. If the gains were spread all over the country, they would on paper mean a windfall of perhaps 20 seats. A little more, and Mrs. Thatcher would be tantalisingly near a Commons majority. . . .

Of course we all know that opinion polls, and even this kind of sophisticated political analysis, are to be treated with the greatest care. But it would be odd if at least the broad finding was not correct that Mrs. Thatcher stands to gain a good deal out of immigration—and even odder if Labour's own unpublished opinion polls were not saying the same sort of thing. A good deal then falls into place: why she has chosen to raise the matter so long before the likely election date, and why the Prime Minister, while despatching Mr. Rees to make violently critical speeches, attempts to neutralise the threat by entwining his opponent in an all-party conference.

Smoke signals

Already the first smoke signals are going up about what the Tories are likely to opt for, when the infinitely trickier moment arrives of putting flesh on their ideas: George Gardiner, the MP who edits Conservative Monthly News which infuriated many in the party by its timely and ringing endorsement of the leader's line is now talking about "phasing the fulfilment of commitments," and not breaking them: by establishing a register of dependants and the fixing of annual quotas. Maybe false hopes have been aroused, but equally Mr. Powell's denunciation at the weekend sets the Conservatives usefully and unmistakably apart from his own extreme position. In the meantime Mrs. Thatcher has struck a chord if nothing else, and it is hard to see how it will not yield benefits.

The hazards of planning a merger

BUSINESS AND THE COURTS

By A. H. HERMANN, Legal Correspondent

THE GERMAN Supreme Court's decision on Tuesday to reject GKN's bid for the Sachs Group illustrates the uncertainty engulfing those who dare to pursue cross-border mergers and acquisitions.

The debate over the merits or demerits of the proposed venture for the future development of the two enterprises, for their consumers, and for closer industrial co-operation within the Common Market, were first overshadowed during the pre-election period in Germany by popular hostility directed against the tax freedom of the Sachs brothers—the then Swiss resident owners of the shares GKN wished to buy.

Later the project fell victim to the desire of the Federal Cartel Office to obtain a court ruling on conglomerate mergers. The project suffered great delays in the course of judicial review. First the Appeal Court in Berlin reprieved the merger, and this week, on the basis of the same facts, the Supreme Court condemned it.

The point is that it is difficult to foresee what view different judges will take when asked, as they are by German law, to make predictions on how a company's future business policies might affect competition. In this context the planning of a merger can be particularly hazardous.

The judgment once again demonstrates the ability of courts to defeat both parties to an anti-trust dispute. However the Cartel Office — though winner in the sense that it had its ban on the merger confirmed —was also defeated in its main objective. This was to obtain the Supreme Court's blessing for its claim that it has power under the present law to stop mergers merely because they add greater financial power to an enterprise already in a dominant market position.

What other reasons the court had for concluding that this merger would have increased the dominance of Sachs in the German clutch market will be revealed only when the text of the judgement is released—which may take several weeks. But even so it is apparent that the judgement will have the absurd effect of providing opponents of proposed legislation, designed to tighten up the German competition act, with new ammunition. The draft Bill, now in its final stages in Bonn, proposes that an increase in market dominance should be assumed, without requiring proof, whenever an enterprise with an annual turnover of DM2bn. (£510m.) or more acquires another with a turnover above DM1bn. This rule if adopted earlier would have deterred GKN from ever attempting the acquisition as the turnovers of the two enterprises are above these thresholds. Yet the Karlsruhe judgment is likely to be quoted in support of the argument that the law is strict enough as it stands.

* * *

MARINE law is much more a lawyer's law than anti-trust rules, but recent decisions of the Supreme Court (Roman 2 Z R 132/75) show that its application must also take into account the changes taking place in the structure of a business.

The Supreme Court reversed a decision of a lower court which found in favour of the Emder Hafenumschlaggesellschaft and against Sidemar of Genoa, the owner of motor ship SS Sagittarius. The plaintiff was engaged in the business of loading and unloading vessels docking in the port of Emden. In the course of unloading iron ore from the Sagittarius the conveyor belt operated by this company was seriously damaged by a piece of sheet metal which came up in the iron ore in the hold of the ship. The plaintiff claimed that the piece of sheet metal was negligently left in the hold after some repairs. The ship owner claimed it was properly fixed and became loose in the course of unloading.

The lower court heard that the ship owner has a strict liability which does not require the proof of negligence on the part of the crew. Proof that the piece of sheet metal came loose during the unloading operation would not help, said the court. The special responsibility of the ship owner was based on Sect 485 of the German civil court which took into account the dangers which the operation of the vessel has for third parties.

The Supreme Court took a different view. The strict responsibility of the ship owner was appropriate in times when the loading and unloading was done by the crew or by dockers selected and supervised by the master of the vessel, it said. However it is now done by specialised enterprises commissioned by the charterer or as in this case, by the consignee of the cargo. In these changed circumstances the liability of the ship owner can no longer be assumed said the Supreme Court. The case was returned to the lower court with a direction to determine who was actually responsible for the mishap.

* * *

A BANK manager's warning to a client whose overdraft is getting out of hand should not err on the side of polite understatement at least not in Germany.

The Supreme Court was given an opportunity to analyse in great detail (decision IIZR80/76) the rights and duties of a bank wishing to terminate its business relations with a client and to demand immediate repayment of credit and to realise securities held.

The lower court found in favour of an enterprise which claimed damages from its bank — a co-operative bank in Bielefeld—because the bank terminated its credits too abruptly. The Supreme Court allowed the bank's appeal against part of the decision. It ruled that in a situation that a bank can no longer be expected to continue the business relationship with a client the bank is under no obligation to warn him that it intends to terminate.

The court, however, pointed out that if the client had reason to doubt whether the bank really objected to his conduct of business—and in particular if such doubts were due to the bank's readiness to accommodate him—it was up to the bank to remove any such doubts by giving a suitable warning.

West Germans master England in second half

SOCCER

BY TREVOR BAILEY

MUNICH, FEB. 22

THE WELCOME victory by the England "B" team in Augsburg yesterday gave an added bite and incentive to the full England XI to which they responded well, but after leading for most of an excellent game, eventually lost 2—1 to West Germany, though a draw might have been fairer.

Certainly Germany did more attacking, but they were disappointing in the box. Their winning goal came from a direct free-kick which passed a wall that had not been constructed well enough.

England went in at half-time one up from a headed goal by Pearson in the 41st minute. A good move was originated by Wilkins, carried on by Neal, and Coppell put over a fine centre.

Strictly speaking England were a shade fortunate to be in the lead, as West Germany had created the best scoring chances. Rummenigge was unlucky to hit the post with a tremendous right-root drive, which Clemence could hardly have seen, and the tricky Abramczik had gone close after the ball had been played off by the centre-forward inside the area.

Both teams played calm, precise calculated football which tested two resolute defences. West Germany were at their most threatening when they counter-attacked after an English move had broken down.

The big difference in style was that the English were inclined to be slower in the build-up and did not usually move as quickly off the ball as their opponents—though Keegan, darting here, there and everywhere was often an exception.

In midfield, although frequently outnumbered, Wilkins was outstanding and produced some excellent passes. He also showed exceptional composure.

Barnes on the left-wing once slipped the right-back to put across a centre from which Pearson was only inches wide. The overall impression after the first 45 minutes was that England had shown all they had, but that Germany had something up their sleeves, even though they appeared to be handicapped by including three natural wingers up front.

After the interval, West Germany immediately started to attack, but weer held by the back four, and had to rely mainly on long shots.

When England did come forward, Barnes' dribbling ability caused problems and Pearson, somewhat surprisingly, often beat his marker in the air.

After Neumann was injured in a tackle with Brooking, Dietz replaced him and England continued to absorb heavy pressure without having to rely overmuch on Clemence because the many shots and headers were well off target. The best opportunity fell to Rummenigge, but he shot well wide.

However, these numerous attacks were eventually rewarded with the goal they deserved when in the 79th minute Worm beat Clemence from the left-hand side of the area with a well placed shot.

Francis was brought on for Keegan, who had developed cramp and had played so well. Just when it seemed a draw would result Watson was booked for a heavy tackle just outside the area, and Bonhof scored direct from the free-kick.

Sharageen best of bunch

RACING

BY DOMINIC WIGAN

RAPID THAWING took place at Warwick throughout yesterday, but prospects cannot be described as more than fair for a resumption after the lay off.

One trainer who will be hoping more than most that racing can go ahead is Tony Dickinson, who sends a strong team south on the long haul from Gisburn, in Lancashire.

His best prospect could be Irish Rambler, joint top weight with Paper Rich in the Banbury Hurdle. Although Irish Rambler, a rangy chestnut son of that remarkable sire of jumpers, Wrekin Rambler, has not had the benefit of a previous run this season, he is reported ready to do himself full justice. If this is the case, he will want a tremendous amount of beating.

Dickinson, who appears to know better than anyone (with the possible exception of Fred Winter) the art of preparing first time out winners, sets punters a poser half an hour later in the Knightlow Chase by saddling both Doriesa and Sharageen.

Although his son Michael has opted for the first-named, I believe that Sharageen, set to receive almost two stone from his year older stable companion, will have the edge in what is certain to be extremely testing conditions.

Whatever the fate of Warwick this afternoon, there seems every chance that we shall get some racing before the week-end, and prospects are bright at Kempton.

WARWICK

2.00—Anthony of Padua
2.30—Irish Rambler*
3.00—Sharageen***
3.30—Blue Streaker
4.00—Long Lane
4.30—Sir Gayle
5.00—Snowshill Sailor

ICI out to win championship

MOTOR SPORT

BY JOHN GRIFFITHS

IMPERIAL Chemical Industries, which made an experimental venture into motor-racing last year, is expanding its interest into a full-fledged attempt to win the 1978 European Formula 2 Championship.

The formula ranks immediately below Grand Prix racing in prestige terms. Apart from the potential promotional benefits, ICI is to use the two 300 brake horsepower Chevron-Hart cars as mobile test beds for various chemical products.

Last year, ICI was joint sponsor, with the magazine Newsweek, of one Formula 2 car.

Although the car did not fare particularly well, ICI was well pleased with what was effectively an "awareness exercise" for its increasingly important European market for chemicals.

The size of ICI's racing budget is not being disclosed. Although considerably cheaper than Grand Prix, where a season's costs can easily run to £1m. for even a one-car team, Formula 2 is still one of the most expensive formulae. ICI is also using two Grand Prix drivers, German Jochen Mass and Patrick Tambay of France, on its team. Costs, therefore, are likely to run into six figures.

Mottram to play in Davis Cup

TENNIS

BY JOHN BARRETT

AFTER a gap of 20 months, during which he has repeatedly refused to represent his country, Buster Mottram, will play for Britain in the Davis Cup against Monaco next month.

This means the breach has been healed between Mottram, 22, newly promoted to top of the British ranking list, and Paul Hutchins, the national team manager, which has lasted since Hutchins dropped Mottram from the team to play France in July, 1976.

Mottram, who had defaulted in his Wimbledon match after losing the first two sets to Germany's Hans Pohmann, was upset by remarks attributed to Hutchins, but always denied by him, criticising his fitness.

He has refused to play under Hutchins, and has demanded special consideration as a condition of his return. This has been a stumbling block.

Mottram's attitude has been criticised by other members of the team, principally John and David Lloyd. But they have said they would welcome Mottram back, provided he agrees to play under the same conditions Hutchins has laid down for the

Winter fosters sporting spirit

WINTER SPORTS

BY ARTHUR SANDLES

DOWN HERE in the City a bad winter means a long cold wait for the No. 11 bus, which for others this week might have seemed a laughably small inconvenience. An indication of just how severe the British winter has been this year came a few days ago when a farmer friend invited me to sample a day or two's skiing on his slopes in Hampshire. The sport as it emerged was slightly interrupted by hundreds of lambs being foolish enough to emerge into wintry life from the warmth of ovine wombs. At lambing time skiing comes a bad second.

When things do turn bad it never ceases to amaze me just how many people have winter sports equipment tucked away ready to produce at the first sniff of snow or ice. In snowless but sub-freezing Surrey my local pond soon had its surface etched with skate marks, smart tobbogans emerged when we did have a mild flurry and, of course, the skiers were out in force elsewhere. For the size of the market Britain has a remarkably well developed ski equipment supply business, much of the clothing is even made here and there are even people making skis.

One of the great advantages of skiing in Britain is, of course, the comfort of the National Health Service. Rescuing skiers may not quite be what was in the mind of those who set up the service, but it is nice to know that the system is there.

Ski insurance is one of those areas which none of us really likes to think about but always has to be present. My own policy had to be dusted off less than a month ago when I was carted off from the slopes to hospital and X-ray machines. Since all this was happening at Park City, Utah, I confess to a momentary concern about the credit worthiness of Lloyds in such wild territory. At St. Mark's Hospital, Salt Lake City, however, mention of Lloyds produced a nice broad smile from the credit manager and they left the colour television plugged into my room.

Although they speak a vague sort of English in Utah the loneliness of a distant hospital was quickly brought home. Every now and then a nurse would come in and ask some question which clearly had no point. When I replied they would say: "Gee, I just wanted to hear that cute accent." Apparently when you are confined to a French/Swiss/Austrian hospital there is no such fascination. There, unless you are fortunate in your linguistic talents, you eventually slip into a medical limbo where things are done to you without your knowing why, or how much it is costing.

The difference between [illegible] and England was summed up for me by two quotes. For the umpteenth time an American nurse thudded a needle into my buttock with the words: "You're not paying what you're paying to have pain." And, transferred to a London ward, I politely told my English nurse that American hospitals lacked atmosphere. She almost shouted through the roar of roadworks outside: "Oh, whatever we don't have, we're very strong on atmosphere."

While in my hospital bed I comforted myself with a little light reading about medical [illegible] In the U.S. there are lots of horror tales about how a broken leg can cost you £3,500 [illegible] suggests an impressively [illegible] plex break and a somewhat avaricious hospital. A sixth of that sum might be more [illegible] for something simple.

SNOW REPORTS

	Depth (ins.) L.	Depth (ins.) U.	State of piste
Alpbach	20	40	Good
Andermatt	80	116	Good
Crans	38	96	Fair
Badgastein	12	45	Good
Brand	24	80	Good
Davos	40	55	Fair
Flaine	32	50	Good
Lech	56	112	Good
Murren	40	80	Good
Niederau	28	38	Good
St. Anton	38	156	Good
St. Moritz	38	50	Good
Seefeld	35	54	Good
Verbier	40	84	Good
Voss	48	74	Good
Zermatt	68	104	Good

Shino dish fetches £5,100

SALEROOM

BY ANTONY THORNCROFT

THE London salerooms had a typically routine day yesterday. Sotheby's held three relatively modest auctions, in one selling Japanese works of art for £118,340.

Top price was £5,100 (Eskenazi) for a Shino dish, c. 1600. A carving of a goat by Masanao, the late 18th-century craftsman, went to the same dealers for £4,200.

Old Master paintings realised £48,270, with a best of £1,800 from an Italian buyer for The Rape of the Sabine Women, a 17th-century Genoese School painting. In the afternoon, later paintings added £34,452. A U.S. dealer paid £1,700 for a 19th-century Dutch still-life.

Christie's sale of jewels totalled £129,700, with just 1 per cent. unsold. Wasinski, the London dealer, paid the highest price (£15,500) for a brilliant-cut diamond weighing 3.88 carats mounted as a single stone in platinum.

Fischzang, an American dealer, gave £8,000 for a diamond tiara. Drager, of London, paid a similar amount for an octagonal emerald and diamond three-stone half-hoop ring. The weight of the emerald was 2.71 carats.

At Christie's South Kensington, Collectors' Cameras, London, paid £1,400 for a mahogany camera obscura of the early 19th century. A sale of scientific instruments totalled £13,188.

TV/Radio

† Indicates programme in black and white.

BBC 1

6.40-7.55 a.m. Open University. 9.41 For Schools, Colleges. 12.35 p.m. On the Move. 12.45 News. 1.00 Pebble Mill. 1.45 Trumpton. 2.00 You and Me. 2.36 For Schools, Colleges. 3.00 Children's Wardrobe. 3.53 Regional News for England (except London). 3.55 Play School (as BBC-2 11.00 a.m.). 4.20 Winsome Witch. 4.25 Jackanory. 4.40 Scooby Doo. 5.00 John Craven's Newsround. 5.05 Blue Peter. 5.35 Paddington.
5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
6.45 To-morrow's World.
7.10 Top of the Pops.
7.40 The Good Life.
8.10 Wings.
9.00 News.
9.25 Cannon.
10.15 Omnibus.
11.00 Tonight.
11.40 Weather/Regional News.

All Regions as BBC1 except at the following times:—

Wales—1.45-2.00 p.m. Barnaby. 4.40 Crystal Tipps and Alistair. 4.45-5.05 Cadi A'r Gath Wyllt. 5.55-6.20 Wales To-day. 6.45-7.10 Heddiw. 11.40 News and Weather for Wales.

Scotland—11.30-11.50 a.m. For Schools (Living in Scotland). 5.55-6.20 p.m. Reporting Scotland. 7.40-8.10 Current Account. 11.40 News and Weather for Scotland.

Northern Ireland — 11.30-11.50 a.m. For Schools (Ulster in Focus). 3.53-3.55 p.m. Northern Ireland News. 5.55-6.20 Scene Around Six. 11.00 I Didn't Know You Cared. 11.30 News and Weather for Northern Ireland.

England—5.55-6.20 p.m. Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands To-day (Birmingham); Points West (Bristol); South To-day (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 a.m. Open University.
11.00 Play School.
4.55 Open University.
7.00 News on 2 Headlines.
7.05 Your Move.
7.30 Newsday.
8.10 Living in the Past.
9.00 Gardeners' World.
9.30 Screen 2: "Lovers and Other Strangers," starring Gig Young.
11.10 Late News on 2.
11.20 Men of Ideas.
12.00-12.10 a.m. Music at Night by Chabrier.

LONDON

9.30 a.m. For Schools. 10.45 Help! 11.00 For Schools (continued). 12.00 Charlie's Climbing Tree. 12.10 p.m. Stepping Stones. 12.30 Make it Count. 1.00 News plus FT index. 1.20 Help! 1.30 Crown Court. 2.00 After Noon. 2.25 Shades of Greene. 3.20 Quick on the Draw. 3.50 The Sullivans. 4.20 Little House on the Prairie. 5.15 Mr. and Mrs.
5.45 News.
6.00 Thames at 6.
6.35 Crossroads.
7.00 The Bionic Woman.
8.00 Robin's Nest.
8.30 Armchair Thriller.
9.00 George and Mildred.
9.30 This Week.
10.00 News.
10.30 Time for Business.
11.15 Kitchen Garden.
11.45 What the Papers Say.
12.00 Close: Neville Jason reads a psalm.

All IBA Regions as London except at the following times:

ANGLIA

1.25 p.m. Anglia News. 2.00 Women Only. 4.20 The Secret Lives of Waldo Kitty. 4.45 Solo One. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 7.00 Eyesores. 7.30 Now Who Do You Do? 10.30 Folk in the East. 11.00 Thursday Film: "The Mystery of the Wax Museum." 12.30 a.m. The Living Word.

ATV

1.20 p.m. ATV Newsdesk. 3.20 Beryl's Lot. 3.50 Houseparty. 5.15 Happy Days. 6.00 ATV Today. 7.00 Emmerdale Farm. 7.30 The Bionic Woman. 10.30 Police Woman. 11.30 Master Golf.

BORDER

†1.20 p.m. Border News. 5.15 Lassie. 6.00 Lookaround Thursday. 7.00 Emmerdale Farm. 7.30 Mr. and Mrs. 8.00 Rising Damp. 10.30 Police Woman. 11.30 Wish You Were Here . . . †12.00 Border News Summary.

CHANNEL

1.18 p.m. Channel Lunchtime News and What's On Where. 6.00 Channel News. 6.10 Elephant Boy. 7.00 Six Million Dollar Man. 10.28 Channel Late News. 10.32 The Story of Wine: The Great Clarets. 11.00 TV Movie: "The Night Strangler." 12.35 a.m. News and Weather in French.

GRAMPIAN

9.25 a.m. First Thing. 1.20 p.m. Grampian News Headlines. 6.00 Grampian To-day. 10.30 Reflections. 10.35 Sportscall. 11.15 Baretta.

GRANADA

1.20 p.m. This Is Your Right. 4.20 Code R. 5.10 This Is Your Right (second chance to see Lord Winstanley's programme of advice). 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 The Six Million Dollar Man. 10.30 What's On. 11.00 What the Papers Say. 11.20 Police Woman.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 3.50 Beryl's Lot. 4.20 Return to the Planet of the Apes. 4.45 Breaktime. 5.15 Dangerous Dan McFoo. 5.20 Crossroads. 6.00 Report West. 6.18 Report Wales. 6.35 Best in the West. 10.35 Cinema Club Shorts. †11.20 Terror! Fingers at the Window.

HTV Cymru/Wales— as HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.20 Miri Mawr. 4.35-4.45 Wstibethna. 6.00-6.18 Y Dydd. 6.35-7.05 Sports Arena.

HTV West. As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.35 Sport West.

SCOTTISH

1.25 p.m. News and Road Report. 2.00 Women Only. 4.20 Pipet and Friends. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Garnock Way. 7.00 Emmerdale Farm. 7.30 Charlie's Angels. 10.30 Birthday Honours. 11.00 Late Call. †11.05 Thursday Cinema: "The Creature from the Black Lagoon." starring Richard Carlson.

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. 4.20 Betty Boop. 5.20 Crossroads. 6.00 Day by Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 7.30 Hawaii Five-O. 10.30 Westside Medical. 11.30 Southern News Extra.

TYNE TEES

9.20 a.m. The Good Word followed by North East News Headlines. 1.20 p.m. North East News and Lookaround. 2.00 Women Only. 5.15 The Brady Bunch. 6.00 Northern Life. 7.00 Emmerdale Farm. 7.30 The Bionic Woman. 10.30 What Petrol. 11.15 Battleground. 11.45 Rich Man, Poor Man. 12.40 a.m. Epilogue.

ULSTER

1.20 p.m. Lunchtime. 4.18 Ulster News Headlines. 4.20 Big Blue Marble. 4.45 Little House on the Prairie. 6.00 Ulster Television News. 6.05 Crossroads. 6.30 Reports. 7.00 Emmerdale Farm. 7.30 The Bionic Woman. 10.30 Counterpoint. 11.00 Mind Your Language. 11.30 Wish You Were Here. 12.00 Wedding Day, followed by Bedtime.

WESTWARD

12.27 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 6.00 Westward Diary. 7.00 The Six Million Dollar Man. 10.28 Westward Late News. 10.30 Westward Report. 11.00 TV Movie: "The Night Strangler." 12.35 a.m. Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 4.20 Laassie. 4.45 Nobody's House. 5.15 Survival. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 7.30 The Bionic Woman. 10.30 Calendar Profile: Margaret Thatcher, the Leader of the Opposition. 11.00 The Streets of San Francisco. 12.00 Wish You Were Here . . .

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.02 Noel Edmonds. 9.00 Simon Bates. 11.31 Paul Burnett including 12.30 p.m. Newsbeat. 2.00 Tony Blackburn. 4.31 Dave Lee Travis including 5.30 Newsbeat. 7.00 Country Club (S) joins Radio 2. 10.02 John Peel (S). 12.00-12.06 a.m. As Radio 2.

VHF Radios 1 and 2: 6.00 a.m. With Radio 2, including 1.55 p.m. Good Listening. 10.02 With Radio 1. 12.00-12.06 a.m. With Radio 2.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Ray Moore with The Early Show (S) including 6.15 Pause for Thought. 7.32 David Allan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.02 Jimmy Young (S). 12.15 p.m. Waggoners' Walk. 12.30 Pete Murray's Open House (S) including 1.45 Sports Desk. 2.30 David Hamilton (S) including 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Country Club (S). 9.02 Folkweave (S). 9.55 Sports Desk. 10.02 Two by Two. 10.30 Star Sound Extra. 11.02 Cricket: Second Test, New Zealand v. England (report). 11.05 Brian Matthew with The Late Show. 12.00-12.06 a.m. News, Cricket—Second Test (further report).

RADIO 3 464m, Stereo & VHF

†Medium Wave only

†6.55 a.m. Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Glazunov (S). 9.50 Wolf Songs, Sacred and Secular (S). 10.30 Gamba and Harpsichord recital (S). 11.15 Lorin Maazel Conducts part 1: Weber, Mozart (S). 11.55 In Short (talk by Earle Brown). 12.05 p.m. Lorin Maazel Conducts part 2: Strauss (S). 1.00 News. 1.05 Bradford Midday Concert. 2.00 "Osud," opera in three acts, music by Janacek, Act 1 (S). 2.40 "Osud"—its Place in Janacek's Works for the Stage (talk). 2.55 "Osud," Acts 2 and 3. 3.45 The Paul Sacher Commissions (S). 4.35 School of Frescobaldi (S). 5.25 Liszt: concert (S). †5.45 Homeward Bound. †6.05 News. †6.10 Homeward Bound (continued). †6.30 Lifelines: The Wider World. 7.30 Music in Question with Antony Hopkins (S). 8.00 20th-century Masterworks: part 1 (S). 8.50 The Secular Society (last of four talks by David Martin). 9.10 20th-century Masterworks: part 2 (S). 9.50 Drama Now (S). 10.15 Mendelssohn and Ives: concert (S). 11.25 News. 11.30-11.35 And To-night's Schubert Song (S).

Radio 3 VHF only—6.00-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4

434m, 330m, 285m and VHF

6.15 a.m. News. 6.17 Farming To-day. 6.35 Up to the Hour. 6.52 (VHF) Regional News. 7.00 News. 7.10 To-day. 7.35 Up to the Hour (continued). 7.52 (VHF) Regional News. 8.00 News. 8.10 To-day including news headlines, weather, papers, sport. 8.45 Yesterday in Parliament. 9.00 News. †9.05 These you have Loved. †10.00 News. †10.05 From our own correspondent. 10.30 Daily Service. †10.45 Morning Story. †11.00 News. 11.05 Down Your Way. †11.45 Figures in an Autumn Field. 12.00 News. 12.02 p.m. You and Yours. 12.27 Just A Minute (S). †12.55 Weather, programme news VHF (except London and S.E.) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour (from 2.00) including 2.00-2.02 News. 2.45 Listen with Mother. 3.00 News. 3.05 Afternoon Theatre (S). 3.50 Jack de Manio Precisely including 4.00-4.05 News. 4.35 Story Time. 5.00 P.M. Reports. 5.50 Serendipity. †5.55 Weather, programme news. (VHF) Regional News. 6.00 News. 6.30 Top of the Form. 7.00 News. 7.05 The Archers. 7.20 Checkpoint. 7.45 Shipwreck. 8.30 All in the Waiting. 8.45 Nation to Nation: Discussion on the Tokyo Round of Negotiations. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World To-night. 10.30 Any Answers? 11.00 A Book at Bedtime. 11.15 The Financial World To-night. 11.30 To-day in Parliament. 11.45 News.

For Schools (VHF only) 9.05 a.m.-12.00 and 2.05-3.00 p.m.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 Carry on Councillor. 9.20 London Live. 11.03 In Town. 12.03 p.m. Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 Look, Stop, Listen. 7.30 In Town as (11.05 a.m.). 8.30 Soul '77. 10.03 Late Night London. 12.00 Close: As Radio 2.

London Broadcasting

261m and 97.3 VHF

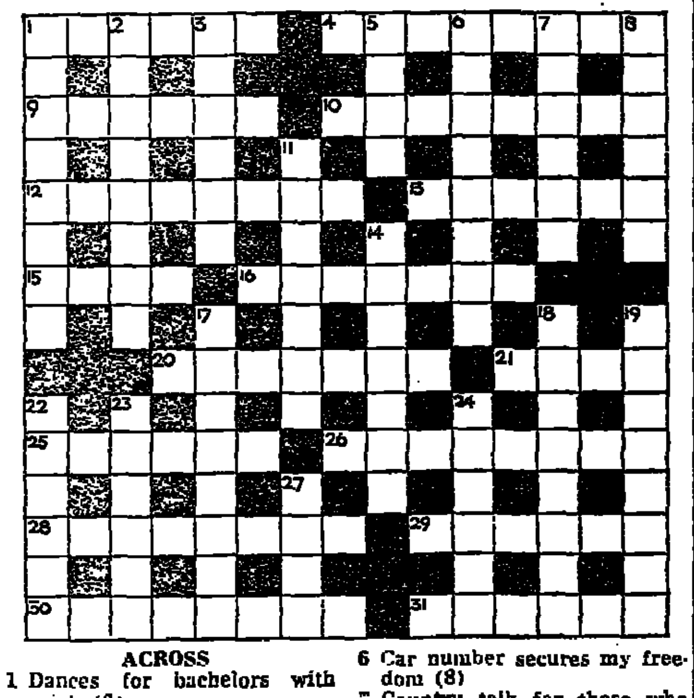
5.00 a.m. Morning Music. 6.00 a.m. non-stop news, travel, sport, reviews, information. 10.00 Brian Hayes. 1.00 p.m. LBC Reports including George Gale's 3 o'clock Call. 8.00 After 8—with Ian Gilchrist. 9.00 Nightline. 1.00-5.00 a.m. Night Extra with Adrian Scott.

Capital Radio

194m and 95.8 VHF

6.00 a.m. Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash with Cash on Delivery (S). 3.00 p.m. Roger Scott with his Three O'Clock Thrill (S). 7.00 Lord George-Brown's Capital Commentary (S). 7.10 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Nicky Horne's Your Mother Wouldn't Like It (S). 11.00 Tony Myatt's Late Show (S) including 11.50 Moment of Terror. 2.00 a.m. Duncan Johnson's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 3,601



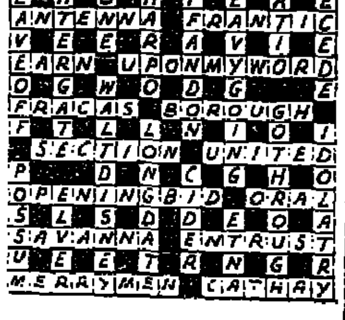
ACROSS

1 Dances for bachelors with spirit (6)
4 Performer from behind the Iron Curtain becomes editor (8)
9 Antipodean at work in the garden (6)
10 Illustrates exploits round the river (8)
12 He finds the ancient city a collection of infidels (8)
13 Object to a little intelligence? That's mean (6)
15 The answer that came from the oysters (4)
16 After a bathe look to the master for a certificate (7)
20 Sarah leaves the South American country for an examination (7)
21 Domesticated, thanks to yours truly (4)
25 Equip the girl for the Fleet (6)
26 Whatever you buy must be tea in a bag (8)
28 Not one of the 12 across (8)
29 Whence came two gentlemen to play (6)
30 Use nitre somehow for suites (8)
31 Sounds sober, but finished the course (6)

DOWN

1 Bird makes Russian socket of course (8)
2 Strange rig in American state causes headache (8)
3 She appears in novel form (6)
5 We hear you're in jug (4)
6 Car number secures my freedom (8)
7 Country talk for those who mean business (6)
8 Flower from the Red Sea (6)
11 "I met a traveller from an —— land" (Shelley) (7)
14 What Mrs. Mopp must do to make a good profit (5, 2)
17 Most enthusiastic, but departed with lamentation (4, 4)
18 Volcanic outburst over conservative convenience (8)
19 In this place draw up the outlaw (8)
22 See caution in road convexity (6)
23 Egg-dish can be a hindrance to a Cockney home (6)
24 "In states unborn and ——s yet unknown" (J.C.) (6)
27 How writing on the wall started (4)

Solution to Puzzle No. 3,600



d review

fine Traviata by RONALD CRICHTON

a traviata. Cotrubas, o, Milnes/Bavarian pera Chor. and Orch./ 2 records in box. DG 3. £8.70.

orsakov The Snow Sokolik, Zakharenko, rva, Grigoriev, Moksya- scow Radio SO and edoseyev. 4 records Melodiya/HMV SLS 14.95.

eutsche Grammophon s finely cast, sung, con- nd recorded. This last merely mean that the re quiet and the sound eed but that the kind is right for the work in Traviata needs and ves intimate treatment, tly going beyond that cond party scene, at use (act 2, scene 2); nore formal affair than ing at Violetta's house inning of the opera—in e many producers fail guish sufficiently be- two. The grander te Don Carlo, or La Boccanegra demands wider sound perspec-

dit must go not only s Hirsch, the director tion, and to his team s, but to the conduc- s Kleiber, who con- sparkle necessary for rty music (more of it, the later of the two here the gipsy and mbers fairly crackle) delicate but incisive ly rhythmical outlin- private as opposed to music. Much of the obtained by light ver rushed, never lin-

ht tempos suit the mitations of the voice letta; Ileana Cotrubas the admirable artist turns them to strik- ge. These limitations physical, concerned ze and weight of the is neither powerful onally brilliant. But erfully she uses an slight suspicion of iredness to colour a suggest the flush that e sick lungs! Of (who can hold an a large opera house d with a thread of n deliberately and hins it out, as in el passato" and caro" in the last act.

Equally daring in the opposite direction is the way she fills out the climax of "Amami, Alfredo" in act 2. But always, over and above the artistry and the sense of style (which includes some expressive use of portamento) it is the truthfulness of the portrait that makes it so moving.

Domingo's Alfredo has his usual high standard of vocal quality and musicianship with deeper personal commitment than he always shows in his spate of recordings. There is nothing like the individuality of Cotrubas, yet one is thankful for a tenor who can support her so sensitively, who can when required fine his tone down to hers and yet (as when he flings his gambling winnings at Violetta) sing out superbly. The Germont père of Sherrill Milnes is magnificent, the only reproach being that, on disc, a voice so clearly in the prime of life and condition is bound to appear improbably young for Alfredo's father. What a pity, with such a cast and conductor, to make conventional cuts of second verses and repeats of cabalettas just in order to pack the recording neatly on to four sides!

Verdi's Violetta was frail in the physical and, from conventional standpoint, moral sense. Rimsky-Korsakov's Snow Maiden or Snegurochka, being the fairy daughter of Spring and Father Frost, had no moral sense at all, but was also physically frail, condemned to melt away as soon as the sun's rays struck her. She nevertheless ventures into the world of men, is attracted innocently, childishly, to the handsome shepherd-boy Lel, is terrified by the undisguisedly physical advances of the young merchant Mizgir, who sees Snegurochka at his betrothal ceremony to the village heiress Kupava and promptly switches his affections.

The Snow Maiden returns to the wilds for a talk with mother Spring, who in a roundabout way tells her what love is all about, reminding her (one must admit that Snegurochka's life was not an easy one) to avoid the sun. Mizgir, still in hot pursuit, appears with the King and retinue. As the sun rises Snegurochka in ecstatic cantilena pledges herself passionately to Mizgir and fades away. Mizgir drowns himself in the lake. The old King says in effect that it's very sad, but the winters are too long and it's more important to have sun for the crops, and the music builds up into a splendid Russian choral finale.

The tale, which skates with possibly feigned innocence over some thin ice covering deep pagan beliefs concerning the return of spring, was adapted by the composer from a folk-tale play by Ostrovsky. Rimsky was not much of a librettist—the action ambles along with little feeling for dramatic shape or tension—but the score is filled with an enchanted, endless stream of melody and orchestral tone-painting. The recording is bright and forward in the rather brash Melodiya way, an unsubtle job compared to the DG Traviata, but not crude enough to spoil the great pleasure to be had from this music. On record the casual way the opera is put together does not greatly matter.

The Moscow cast is strong, almost entirely free from the Russian wobble that worries Western ears. Irina Arkhipova doubles Spring with shepherd Lel (a breeches role). The grand voice is in fine condition, but as recorded here too weighty to be ideal for either character—when she lightens the tone, the effect is captivating. The soprano roles, Snegurochka and Kupava, need singing of a quality (and quantity) that explains why this opera is not given more often. Valentina Sokolik veils her tone most expressively for the Snow Maiden's dying raptures. Elsewhere she is agile, glittering, alternately winsome and hard in a way not unsuitable for Frost's daughter—one would like to hear Cotrubas in the role.

The Kupava, Lidiya Zakharenko, provides some of the choicest singing in the set at the end of act one, when the insulted girl, spinning long arcs of melody, appeals to the bees and the hops, and again in the following act when she complains of Mizgir's behaviour to the patient King but is unable to come to the point. Old King Berendey, a character part for tenor with two delicately scored solos, is Anton Grigoriev, mostly effective, sometimes dry. Randy Mizgir is Alexander Moksayakov, a robust baritone. This is very much a studio performance with huge chorus—the King's psaltery players alone sound as though they would fill the Albert Hall. Faults and all, worth having.

Ileana Cotrubas

Comedy

Murder Among Friends by MICHAEL COVENEY

This tacky American "thriller" (about as thrilling as a wet night in Coventry) closed on Broadway after 17 performances. In the States it is currently on the road in four separate productions starring Anne Bancroft, Cyd Charisse, Alexis Smith and Lana Turner. London gets Moira Lister, whose elegant brand of louche, Thatcherite poise survives even the mild disaster of an unzipped skirt in the second act. The producer fled from his box and when Miss Lister dashed upstairs for a gun she was not too fraught to return with the zip unattended.

Nor was a hair (styled by Patricia at the Cadogan Club) out of place. Miss Lister is planning to bump off her insufferable actor husband, Palmer Forrester, in collusion with his agent, Ted Cotton (Barry Stokes). But the compliment is returned by Forrester who has been giving Ted more than his 10 per cent. A curtain is manufactured for the two men to embrace on the sofa of a horrible New York duplex apartment. The plot curdles with the revelation that the mutually hired assassin, Larry Prosciutto (an appropriately ham performance by Robert Swales) is none other than the athletic beach boy hired by Palmer to extort money from his wife gradually last summer.

Theatre posters around the walls reveal that Palmer has played opposite Pamela Brown, Deborah Kerr, Eileen Herlie and, in King Lear, beneath Judith Anderson (he gave his Goneril?!). This may justify, but in no way explains, why Tony Britton plays the thespian as a Bob Hope look-alike with a Mae West drawl. Mr. Britton's performance is the one piece of accomplished work in Roger Redfarn's otherwise wretched production. There is a little bondage, Max Factor blood and a couple of spurious corpses to string the evening out. Margaret Courtenay is, unfortunately, involved as the wife of a theatre producer (Dermot Walsh) who utters a line about one of his shows that applies exactly to this. "Will it run?" he is asked. "Sure, if I put it on wheels and push it down hill."

The author is Bob Barry and light relief was provided by a posse from Equity on the pavement outside protesting at the production's recent presentation to segregated audiences in South Africa. Well, at least some people were lucky enough not to be able to see it.

Leonard Burt

Moira Lister and Tony Britton

St. John's, Smith Square

John Alldis Choir by NICHOLAS KENYON

The London Music Digest appears to have reduced its activities of late—none of those lavish, multi-faceted programmes devoted to a single composer's music (though we are promised an all-Cage evening in the Elizabeth Hall on June 13). Last Tuesday's "Vocal Digest" at St. John's was a more modest affair: four choral works by contemporary British composers, plus Xenakis's Nuits; yet it was extremely satisfying.

That's not to say that each of the works was a masterpiece; only that John Alldis managed to sustain in his singers and in his audience a remarkably intense degree of concentration. Even Malcolm Singer's Kyrie and Agnus Dei, which were little more than imaginatively drawn echoes of plainsong fragments, mingling and rippling like the results of a (pleasantly) distorted acoustic, had their full measure of sustained, firmly drawn lines in the singing.

The slightly-too-English restraint of Alldis's singers matched the mood of the Singer pieces, and it also made a beautifully cool, precisely etched performance out of Harrison Birtwistle's undemonstrative setting of words from Sir Gawain and the Green Night: highly complex verse, well matched by music of detached, slowly moving logic.

Restraint was less appropriate in Xenakis's viciously powerful Nuits, where the violent noises which cut across screeching chords sounded curiously emasculated in this well-controlled but unaffecting account: this arguably naive protest piece needs an overwhelming passion behind it in order to convince. Nor could Alldis do much for the work which David Bedford dedicated to him "and the little man in the lemon-soiled suit": The Golden Wine is Drunk seemed like mere dregs, full of feebly-imagined improvisational devices, neither well characterised nor specially coherent.

The shock of the evening, however, was that of hearing a piece by Brian Ferneyhough that I could actually understand. Any suspicions of self-indulgence in technical difficulty which one might have gained from his recently premiered Transit (which was broadcast last week) were swept aside by this account of his earlier Missa Brevis. The concision of the writing, gradually opening out from an unbearably terse Kyrie, through a dense but thrusting Gloria and Sanctus, to the more decorative Benedictus, was directed towards an Agnus Dei in which the three choirs finally drifted apart, their material disintegrated. Superbly accurate singing, as far as I could judge, drawn together with real weight and strength by John Alldis.

Cathedral library grants

The British Library has made grants totalling £67,000 to assist in the cataloguing of older books in cathedral libraries. Durham Cathedral library receives a grant of £10,500 annually for three years, and Canterbury Cathedral library a grant of £16,500.

The Bibliographical Society, which has been compiling a union catalogue of pre-1701 books in the cathedral libraries of England and Wales, receives £19,000 to complete this project.

Garden

Mayerling III by CLEMENT CRISP

ne speaks." Thus a et hailed August s expressive drama- and I can do no echo these words to en Jefferies' perform- sday night as Crown dolf. It is some Mayerling's grand it it can invite inter- is different, and as ose of David Wall, gling and Stephen is some measure of Ballet's grand quali- can provide three so well able to shape nd sustain a role as arduous as that of have now seen the times and, perhaps tends to enter into ve-affair with a new I am less inclined t with it by picking matters for revision. il its excellence of nning and choreo- rejoice in the detail s it so "real" and n experience.

It is the reality of Jefferies' interpretation, its total identification with the character of Rudolf its power, that made me feel that his debut on Tuesday was the most emotionally moving account of the role thus far. After the opening scene at the Hofburg, in which Jefferies caught all the strain and anguish of the young Prince, I muttered to my companion: "He's superb, but he'll never be able to keep up the pace." I was wrong. Jefferies was superb throughout, and the pace was not only maintained, but increased. The result was a dramatic performance that will stand comparison with anything I have seen in the London theatre for some years past.

What Jefferies does so well is to show all the tensions that Rudolf feels: the recurrent gesture in which he clutches his head as if it is bursting seems clinically terrifying. His relationship with each woman in his life becomes a cry for help; Jefferies persuades us that Rudolf is a man living in a nightmare, and that the world he sees is almost hallucinatory at times. Thrilling the moment when Mary Vetsera (Alfreda Thorogood, very fine in the role) enters his apartments for the first time. As she seizes first the skull and then the gun, we sense how she must seem like an angel of death to Rudolf, the mysterious incarnation of his fantasies about love and fate. Miss Thorogood contrives to make Mary's innocence seem coolly erotic; her dancing is exquisite in line and finesse, and its emotional poignancy most touching in the last scenes. (The contrast with the neurotic vehemence of Jefferies' playing makes for fine theatre.)

Jefferies' impersonation of Rudolf is also the most Oedipal thus far: between the twin poles of his rejected love for his mother and his ardent temperament's quest for a substitute love, he is trapped and damned from the very start of the ballet. With Larisch (a most sensitive portrait from Sandra Conley) there are moments when he can be himself—and there came an inspired piece of improvisation when a jewel fell to the ground and Jefferies made excellent dramatic capital by flinging it back. With his mother and wife, Jefferies is infinitely piteous, whether in anger or in despair. The closest scene with Monica Mason's powerful Elisabeth was heart-rending: the wedding night with Denise Nunn's delicate, bemused and very appealing Stephanie had a fine edge of hysteria.

If we weep for Jefferies' Rudolf — and there is no shame in being moved by playing of this calibre — we must delight in the artistic stature of the artist, and of the whole company. In Mayerling the Royal Ballet shows itself as a great company at full stretch and the entire ensemble deserves every praise.

Business books reviews are on Pages 30 and 31

, Bristol

ngdom of Earth

by B. A. YOUNG

Tennessee Williams' odrama," as he calls duced (disastrously) y in 1967, it has not in the U.K. before. ys he thought of the ily in 1940, when a prostitute who had Mexican chickened ummation and came room to ask, vainly, offer anything better.

ature conception of characters, they are ns, in fact all Ten- liams' ready-mades, Jonathan Kent, ge and Peter Postle- h a fair approxima- ne accent of the tates. The Mexican Lot, a tubercular ete (Mr. Kent), who is hair-roots every es to wear his dead thes and pretend to e prostitute is now girl Myrtle (Miss m Lot has married is claim on a pro- other left him. This ould pass to Lot's Chicken on Lot's y providing a widow unningly prevented r.

Mr. Postlethwaite) is ive to a suspicion of od that has kept him ty and working like e property. He is the walski type, and soon yrtle to the point en the impending he and she will take the roof together. t to drown in his rawing-room. As it t meets his fate with- elp; he descends in edrag from his bed- e he has been sitting ce on a monument onspiracy is hatched hen, to the drawing-room for a sensational heart-failure.

John Elvery's ingenious multiple set shows all three rooms in the mean little shack that Lot takes such pride in, so we know all the time what everyone is up to. Everything that takes place is readily foreseen early in the evening (and then Chicken has to explain it all afresh to Myrtle in Act Two, as schoolmasterly as Prospero telling the family history to Miranda), and we are left mainly to content ourselves with the quaint character detail that Williams has generously incorporated.

Miss Barge has the best of things, infusing a mountain of wayward personality into what might have been a stereotype dumb blonde. Myrtle finds an instant explanation, usually medical, for every giggle, sob or scream that spurts out of her; in her Petite Personality Kid costume, with its little green cap, she looks pathetically dotty. Chicken's line is a ruthless lack of consideration, throwing the cat into a flooded cellar when Myrtle says it gives her asthma, sitting calmly on the table and opening his flies in Myrtle's face when he feels ready for sex. Mr. Postlethwaite's expression is as blank as Buster Keaton's while he moves from one little enormity to the next.

Meanwhile Mr. Kent, in an embroidered silk wrap, sits at his bedroom window brooding, until the time comes for him to don his mother's summer frock and picture-hat and move downstairs, a death-rattle in every breath, to exert his authority. His death is probably a kinder one than he would have met in the flood, which does not occur until just after the final curtain.

Mike Newell is the inventive director.

Morley College

Luisa Miller

by ELIZABETH FORBES

Verdi's Luisa Miller has been out of the general repertory of any London opera house for a number of years, though Covent Garden is to mount it in the near future. Meanwhile Morley College Opera Group, which has successfully staged other, lesser known works by Verdi—the splendid production of Un giorno di regno a couple of years ago is still remembered with gratitude—has given four performances in the Emma Cons Hall with two separate casts, conducted by Peter Gelhorn, directed by Andrew Downie and designed by Gerald Kitching.

In his adaptation of Schiller's drama Kabale und Liebe for Verdi, Cammarano removed most of the intrigue and concentrated on the Love. The rigid censorship at Naples, where Luisa Miller had its first performance in December 1849, would never have accepted an opera in which a ruling Prince was depicted not merely as a profligate but as a military and domestic tyrant — even though that Prince did not himself appear on stage. Cammarano was right for other reasons too; music can express the infinite varieties of love and affection very much better than it can express political intrigue or the kind of chicanery rife in Schiller's text.

The strength of most Morley College productions lies in their meticulous preparation, both musical and dramatic. With such theatrically experienced mentors as Mr. Gellhorn and Mr. Downie in charge, there is never the slightest risk of the performances emerging as concerts in costume —a risk that besets many student or amateur productions. Celia Marchisio, who sang Luisa in the cast that I heard, was particularly sensitive in her reactions to the other characters, to her father, Miller; to her lover, Rodolfo; to her rival, Duchess Federica; to her hated suitor, Wurm. She sang very acceptably too, with a good sense of rhythm.

One of Schiller's original characters cut by Cammarano, the English political refugee Lady Milford, is a passionate, Eboli-like woman who would surely have appealed to Verdi. Her replacement in the opera, Duchess Federica, is a pale creature by comparison, but she was brought to sympathetic life by Ann Gail. William Emery made Miller an elderly man entirely dependent emotionally on his daughter, while Roland Gibson sang Rodolfo's lovely aria with sincerity and without forcing his voice. The two bass roles, villains both, were strongly played by Warwick Dyer (Count Walter) and Martin Nelson (Wurm); their duet was especially enjoyable.

Mike Westbrook Brass Band on tour in Europe

The Mike Westbrook Brass Band is making its first major continental tour of 1978. Concert and club appearences are being made in East Germany, Sweden, Finland and Denmark.

The brass band will also tour Denmark and the south of Sweden between February 26 and March 12. A return to Scandinavia is planned for the end of March; this tour will include concerts with The Orckestra, in which the Mike Westbrook Brass Band collaborates with Frankie Armstrong and the experimental rock group Henry Cow.

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Anticipating the corset

THE GROWTH of the money supply during the month to mid-January turned out to be quite as large as the markets had feared—2.3 per cent. for sterling M3. This brought the cumulative increase for the first nine months of the financial year to an annual rate of 14½ per cent., well over the top of the official target range of 9-13 per cent. Yet the news was received with much greater equanimity than news of smaller increases had been received on previous occasions. There seem to have been three main reasons for this calm.

The first was that the Governor of the Bank, the Permanent Secretary to the Treasury and the Chancellor himself had all recently issued explicit warnings against the folly of attaching undue importance to one particular measure of the money supply or to its month-to-month fluctuations. The second was that the monetary authorities themselves—and there is a widespread feeling, since the pound was allowed to float, that the Chancellor and the Treasury as well as the Bank regard monetary policy as important—did not seem to be particularly upset by the latest movement. And the third was that certain special factors had clearly been at work. These included the effect of tax rebates, the cost of intervening in the exchange market before the Federal Reserve reactivated the use of swaps, and the sheer difficulty of making adequate seasonal corrections.

Window dressing

For all that, the growth of the money supply has been rapid and, if it continues to be so, the markets could soon become nervous again about the risk of credit restrictions or a rise in interest rates. One of the difficulties at the moment is that they have no clear guidance about the extent to which the authorities will seek to pull the growth of sterling M3 for 1977-78 back within the target range, even at the cost of a sharp rise in rates, and how far they will choose to run the 1977-78 target into the new system of rolling targets likely to be introduced in the Budget. They will watch the figures for the coming month with particular care, therefore, and they will look as usual for an advance indicator in the February banking statistics.

These may well be misleading as a guide to the growth in the money supply for the same month. The connection is never direct. It is likely to be less direct than usual this time because the banks have been seeking to insure themselves against the reimposition of the "corset"—a means of controlling the growth of the money supply directly by penalising those banks whose deposits grow too fast. They have been doing this by altering the pattern of their liabilities to establish a high base-level from which any future curb on growth would begin to operate. The effect of this window-dressing on the growth of the money supply will be much smaller.

Rolling targets

It was presumably to discourage distortions of this kind that a Treasury minister announced on Tuesday that, though the corset was not called for at present, it could be reimposed without notice at any time. The gilt-edged market fell suddenly late that afternoon, and the reason may well have been a mistaken impression that credit restrictions were imminent. The object of the statement, however, was not so much that the corset was available for use if needed but that the base date chosen, if it were reimposed, need not be that of the announcement. There was no point, in other words, in the banks seeking to anticipate it by pushing up their current base. Although the February make-up date is now past, the misleading nature of the February banking figures has been well advertised. Whether or not the banks now reverse their operations, the March figures will be published so near to Budget day that they may attract little attention. By then, for all practical purposes, we should already be in the new era of rolling targets.

Canada seeks support

THE Canadian government's decision to raise substantial (but so far unquantified) funds abroad to help finance the country's external deficit on current account, is an innovation, in the sense that Canada has not borrowed abroad in this way for ten years. But there is so far no indication that it points to a change of direction in the main aims of Canada's economic policy, which continue to be the reduction of inflation and unemployment (in that order), and the promotion of faster growth.

Partly because of its richness in natural resources, notably oil, Canada has enjoyed a strong positive balance of payments on trade account during the past couple of years, and the Organisation for Economic Co-operation and Development forecasts a further strengthening of the trade balance in 1978. But this surplus has been more than offset by an even larger deficit on invisibles, mainly due to outflows on tourism and interest payments abroad.

One of the consequences of this current account deficit has been a sharp decline in the price of the Canadian dollar, despite the inflows of long-term foreign capital, and despite quite heavy intervention in the foreign exchange markets by the Canadian authorities. One of the purposes of the government's foreign borrowing programme is to increase the resources for stabilising the value of the dollar, or at least smoothing out its fluctuations.

Anti-inflation

The broadly-based anti-inflation programme which was launched by the government in late 1975, with a mixture of wage and price controls on the one hand, and curbs on the growth of the money supply on the other, at first appeared to be having some success. But since the middle of 1976 the rate of increase of the consumer price index has been slowly rising, and while the current rate of around 8 per cent. compares well with past British experience, the important point is not merely that the Canadian inflation rate has been higher than that in the U.S., but that since the middle of last year it has been moving up while the U.S. rate has been going down.

On the other hand, the trend in wage increases has been almost uninterruptedly downwards since the high point in mid-1975, and has been accompanied by a corresponding upward trend in the unemployment rate, which now stands at more than 8 per cent. The wage and price control programme expires this year; but because of the depressed state of economic activity and the high level of unemployment, the OECD expects the inflation rate to decline in 1978, and at around 6 per cent. to converge more closely on that in the U.S.

Some reflationary measures have been taken by the government, including tax remissions and a job-creation public spending programme, but there is considerable uncertainty whether this will ensure that economic activity grows in line with capacity. The Canadian government has been talking of a 5 per cent. annual growth rate between now and 1981, but the OECD takes a more pessimistic view, and forecasts that this year's growth rate, at least, is more likely to lie in the 3½-4 per cent. range, with the prospect of a further rise in unemployment.

Depressed

In theory the decline in the value of the Canadian dollar should help to reduce the current account deficit, but it is uncertain whether the lower exchange rate will have as much impact as the depressed state of the economy, at least in the short run. A large proportion of Canada's exports are in the form of raw or semi-processed products, whose prices are mainly determined on world markets. Canada's exporters of manufactures, on the other hand, rely heavily on imports of machinery and parts, and will be adversely affected by the depreciation.

The prospects for a reversal of the current deficit, therefore, may depend significantly on a reduction in the tourism deficit with the U.S., where any improvement will in turn depend on a reduction in the Canadian inflation rate.

While the decision to borrow abroad does not signal a change of policy, it should give time for the anti-inflation policy to prove itself; and if the inflation rate does come down, that will in turn ease the pressure on the Canadian dollar.

The GKN-Sachs case: a bouquet of barbed wire for Euro-mergers

BY COLIN JONES

AT first sight the West German Supreme Court's decision to rule against Guest Keen and Nettlefolds' bid for a controlling interest in Sachs, the leading West German motor components group, may seem to suggest that a new problem faces industrial companies considering acquisitions or mergers in Western Europe.

To the thicket of legal and fiscal difficulties which have beset cross-frontier mergers in the past and the very real problems of reconciling differing managerial styles and traditions, there now have to be added the uncertainties posed by the various national regimes for controlling mergers.

GKN and Sachs are two large, successful and go-ahead groups whose range of interests—both in automotive components and other sectors — are complementary rather than competitive. Sachs is the leading German manufacturer of clutches, with about 73 per cent. of the total German market, and is also strong in shock absorbers. Uni-Carden, another West German concern in which GKN has a 59.5 per cent. interest, makes universal joints and propeller shafts. The market power of both companies—and, for that matter—of GKN's automotive component subsidiaries in Britain—is effectively tamed by the countervailing power of the car makers they supply.

A merger would have strengthened both groups and helped them to diversify their activities further. In particular, it could have led to a reduction in Sachs' dependence upon the motor industry and helped it to expand its overseas activities. In European terms, too, the merger seemed to have a certain logic: it would have improved the competitive position of a European Community industry in a world market increasingly dominated by U.S. and Japanese groups. Indeed, the European Economic Commission had held that it could see no objections to the merger either under the rules of the European Coal and Steel Community or the wider competition policy provisions of the EEC Treaty.

Yet, after almost three years of delay and uncertainty in which Sachs has had to operate in something of a managerial limbo and which has ended in heavy legal costs for both companies, the match has now finally been ruled out. Unless GKN decides to appeal to the Federal Minister of Economics on "public interest" grounds, which is its right under the German Competition Act, and County Lambsdorff, the present Minister, should decide to exercise his prerogative for only the fourth occasion since 1973, then both groups will have to think again from scratch.

SOME EUROPEAN TRANSITIONAL MERGERS

Date	Companies	Countries of origin	Industry
1964	Agfa-Gevaert	German-Belgian	Photography
1969	Enka-Glanztoff	German-Dutch	Synthetic fibres
1969	VFW-Fokker	German-Dutch	Aircraft
1970	Dunlop-Pirelli	Anglo-Italian	Rubber
1972	Estel (Hoesch-Hoogovens)	German-Dutch	Steel
1975	Iveco (Fiat-Deutz)	Italian-German	Commercial vehicles

Since the creation of the EEC the number of large-scale trans-national mergers has been small and some of those which have taken place have enjoyed only limited success. The reasons for this low level of activity have very little to do with antitrust problems of the sort which have blocked the GKN/Sachs merger. The main obstacles have been differences of company law, tax complications and, perhaps most important, the management difficulties of welding together two large concerns with very different traditions and methods. Of the mergers listed in the table the most successful have generally been those in which one of the two partners hold a dominant position; in Iveco, for instance, Fiat has 80 per cent. of the equity.

A further obstacle has been the preference on the part of individual governments for creating large national corporations in strategic sectors of industry. This applies particularly to the computer industry, where Unidata, a joint venture between Philips of Holland, Siemens of West Germany and CII in France, ended in failure: the French company, in which the Government has a substantial stake subsequently formed a partnership with an American computer concern, Honeywell.

French nationalism has also blocked several attempts by other European companies to make acquisitions in France; one recent example was British Petroleum's abortive bid for Rousselot, a producer of animal proteins. Some large foreign take-overs have been allowed, notably Hoechst's purchase in 1974 of a controlling interest in Roussel-Uclaf, one of the leading French pharmaceutical companies.

At present major European companies seem more interested in making large acquisitions in the U.S. than in take-overs within Europe. During the next few years there may be a trend in Europe towards more joint ventures for specific projects or products, where the partners can achieve economies of scale in particular areas of their business without losing their independence; this has already happened in the motor industry and discussions along the same lines have taken place between Renault and British Leyland.

The reasoning which led the Supreme Court in Karlsruhe to rule against the merger will not become clear until the text of its judgment is released in the course of the next few weeks. The Federal Cartel Office had originally prohibited the merger in May 1976 on two grounds. It argued, first, that GKN's acquisition of Sachs would add considerable financial power to Sachs' dominant market position in clutches and so considerably increase its freedom of action as a competitor. Second, the acquisition would make Sachs a member of an international automotive group and such conglomerate mergers ought to be prevented.

The Federal Cartel Office's attempt to use the GKN/Sachs merger as a stalking horse to strike at conglomerate mergers in general received short shrift from the Cartel Bench of the Berlin Court of Appeal when the companies' appeal was heard at the end of last year. On the other point, however, the Court reached something of a judgment of Solomon by finding in the FCO's favour on the issue in principle but against it in the particular circumstances of the GKN/Sachs case.

The detailed judgment

However, a definitive view on these two issues—and on a further point will have to await publication of the Supreme Court's detailed judgment. The additional point had been revised by the Cartel Office during the Supreme Court's hearing of the GKN/Sachs case. It was to the effect that GKN's acquisition of Sachs would eliminate GKN as a potential new entrant to the German clutch market.

The judgment will be helpful in a wider sense, too, for the West German system of merger control is not yet five years old and, while its procedures may seem heavily legalistic to British eyes, the powers of the Federal Cartel Office under the 1973 Competition Act are very broadly defined. Experience has shown that the operation of merger control can be unpredictable as here. *Fusionen*, or concentrations, a term which is defined even more broadly in the 1973 Act than in the equivalent U.K. legislation, can be banned by the FCO under several provisions. These are if the concentrations involve companies with an aggregate turnover of DM500m. or an aggregate employment of 10,000 or if the acquired company has a turnover of DM50m., and if the concentration can be expected to create or reinforce a market dominating position and the companies concerned cannot prove that it will improve rather than restrict competition. The biggest mergers—those involving concerns with aggregate sales of more than DM1bn.—need to seek prior approval from the Cartel Office. Others passing the threshold for merger control need only to be notified and published in the Federal Gazette.

It can be seen that the Act gives considerable scope to the Federal Cartel Office. Although it operates under the Federal Ministry of Economics and its decisions can be reviewed by the courts, which have special cartel benches, its activities have a quasi-judicial element, which is perhaps inherited from the Cartel Court of the inter-war years. Although the FCO banned only nine mergers between 1973 and 1976, it set about using its powers rather more vigorously than German industrialists had foreseen. Its activities may have helped to deter mergers which might otherwise have been proposed.

As in any system where so much discretion is given to an administrative or quasi-judicial authority, the operation of merger control in Germany may sometimes be thought to owe something to the philosophy of the senior officials involved. A change in the presidency of the FCO last year was followed shortly afterwards by a reorganisation of responsibilities in which the task of merger control, which had formerly been the responsibility of a semi-autonomous division (or decision-making unit), was shared out among three other divisions.

Exemptions from a FCO prohibition can be granted by the Minister of Economics if the restraint on competition does not "endanger the market economy" and if it is outweighed by advantages to the economy or justified by an "overriding public interest." The years of recession since 1973 have not been the easiest period in which to plant a flourishing system of merger control. The need to rescue failing companies and save jobs has led to both ministerial interventions to allow or even promote desirable mergers and to a tempering of some the FCO's own judgments.

In short, merger policy has been as much a subject of controversy and public debate in Germany as in Britain.

Wolfgang Kartte, the new president of the West German Federal Cartel Office.

Studies commissioned by the European Commission in Brussels have indicated that the degree of concentration in German industry is probably the smallest in the Community. Nevertheless, the growth in concentration and the increase in merger activity in recent years has caused widespread concern. A report by the German Monopolies Commission, a body set up in 1973 to advise on the whole gamut of competition policy, proposed that powers be taken to force the breaking up of dominant companies and a limit be placed on the industrial holdings of large banks; and the Government coalition parties are now committed to introducing a further Competition Bill in the spring which is expected, among other things, to tighten up the present merger notification and control system—albeit not as far as the Monopolies Commission suggested.

A gradually changing attitude to company mergers can be seen elsewhere in Europe. Before last year only Britain and Germany operated a merger control system, although legislative powers of one sort or another had existed—but had been little used—in Switzerland, Austria and Spain. Last year, however, France adopted its first merger control system. It is a relatively bland version, applicable to concentrations which would result in 40 per cent. market shares in the case of horizontal mergers and 25 per cent. in the case of vertical and conglomerate mergers. It is left to the companies concerned to decide whether to notify the Competition Commission, and the final decision is retained in ministerial hands. This means that the policy will be applied selectively in the light of the Government's policy of strengthening the structure and international competitiveness of French industry.

A similar Bill, requiring prior authorisation of all mergers above a certain size turnover or market share and providing for exemptions, has been under discussion in Belgium. Another has been under consideration in the Netherlands in recent years, and there has been pressure for some form of merger control even in Sweden.

We cannot yet talk of a pr
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National control

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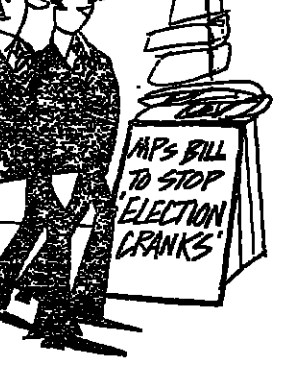
MEN AND MATTERS

Base idea, say Berks. women

The Newbury Women's Institute is up in arms. Letters flooding into the local paper use such expressions as "a cancer in the heart of the community." More striking still, the district's Liberals, Tories and Socialists all seem to agree. This rare display of solidarity has been provoked by the quiet Berkshire town's "biggest controversy of the decade"—as the Newbury Weekly News refers to the U.S. Air Force's request to reactivate Greenham Common airbase. It has had only spasmodic use since 1964.

The USAF wants to put Boeing 707 tanker planes at Greenham, apparently preferring this to the more isolated stand-by bases of Sculthorpe and Wethersfield in Suffolk, in part because of its longer runway. Why do the 15 planes in question not go to Fairford, a deserted Concorde testing base in Gloucestershire, which would be grateful for the work? The USAF: "No comment." The RAF: "They have not asked us."

The RAF says blandly: "No one likes living beside an airfield, but they are facts of life in this day and age." The thousands of Newbury residents who have moved in to the new housing estates near the still-empty Greenham do not see it that way and are unimpressed by claims that there will be only eight flights per week day and none at week-ends. "The planes will badly affect three hospitals, and cause a deafening din at several primary schools, near one of which it will take off." Frank Graham told me yesterday. He is both a teacher and a member of the local action committee. "When some F111s were around for three months recently, pupils had to cover their ears during exams," says Graham. In the Newbury



"That should put paid to most of the current lot!"

Weekly News, headlines prophesy that local property values will slip by £1m. if the base is reactivated.

On the plus side, 250 jobs could be created, and £1m. extra turnover a year for local shops selling to American airmen. These prospects have lured some residents into the "Yanks come back" camp: but overall, Newbury seems profoundly hostile. Further word is awaited from the RAF: so are the results of a poll of readers by the Weekly News. As for the U.S. Air Force, is it concerned about the regiment of women (and others) being mobilised against it? "No comment," a laconic spokesman told me.

Fireside chat

Amid the tense run-up to the French general election, the 86-year-old arms lord, Marcel Dassault, is striking a curious note. Dassault has taken yet another full page in Le Monde, paying a further 40,100 francs, this time to extol the virtues of housewives: "What pleasure for women to go peacefully to collect their children from school, to make them do their homework, to teach them their lessons, to prepare them for the night, to put the flowers on the table so that the husband, when he returns from work, can find a pleasant atmosphere."

Dassault's previous advertisement, calling for the protection of old churches, produced some frosty letters from Le Monde readers. These remarked on the way his Mirages, thundering overhead, had been cracking church vaultings.

Elevated transit

When Norman Thompson gets back to Hong Kong at the weekend, he will be spellbinding dinner-parties with tales of his adventures in wildest Dorset. A one-time Cunard managing director, Thompson is now chairman of the Mass Transit Railway Corporation (MTR) and has flown to Britain to meet French and German bankers who played key roles in arranging the corporation's new $400m. ten-year loan. It seemed a good idea to spend a few days before the meeting with his son, who lives in a village west of Weymouth.

The Continental bankers duly arrived in London—and the snow arrived in the West Country. On the morning when he was due back in town, Thompson put in a desperate call to Gary Southern, a senior manager at Manufacturers Hanover, who were lead managers for the loan. "I'm snowed in," he said. "There's no way out."

Southern rang all the helicopter companies in the telephone book; one agreed to lift out Thompson right away if he would lay red markers on the ground near the village. At lunchtime, the rescue was effected from the local soccer pitch.

Early in the afternoon, Thompson stepped out at the Battersea heliport, all set to spend the rest of the day with the visitors. Yesterday he was up in Birmingham, talking to potential contractors for the MTR extension plans. I cannot confirm the rumours going around Manufacturers Hanover that he has taken a supply of red markers in his suitcase against further vagaries of the British climate.

Fish bites back

Maurice Hodgson, chairman-elect of Imperial Chemical Industries, should be able to wipe the floor with hecklers at the April annual general meeting, if his performance against Lord Kearton is anything to go by. At the dinner of the Institution of Chemical Engineers he followed the ebullient Kearton, chairman of the British National Oil Corporation, at the microphone.

Kearton had expounded upon the controversial issue of BNOC's "voluntary" participation negotiations with North Sea oil groups. Agreement had been reached with most of the big companies, he said; only some smaller fish, such as ICI, were still outside the net.

Rising to his feet and to the occasion, Hodgson quoted W. C. Fields, who had sought a doctor's advice after discovering that he was losing his hearing, through drinking too much. The doctor told him to give up the bottle. Fields thought carefully, said Hodgson, then replied: "What I have been drinking is a lot better than what I have been hearing."

Observer

ECONOMIC VIEWPOINT

Drifting, despite protest, to salvation

bad January trade
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This is a line of argument which instinctively appeals to Left-wing Ministers, and also to the basically Stalinist instincts of many senior civil servants, who have always had leanings towards austerity and heavy industry. These instincts are all the more readily aroused in any veteran of the balance of payments crises of the 1960s.

There is indeed, quite a real possibility—especially, perhaps, if the Labour Party remains in office—that if the world recession continues to produce disappointments on trade and growth, we will become trapped in the habits of the past, and make renewed efforts to bully industry into growth by depressing the economy. This would really be a tragedy and a waste of oil, as I will *suggest*: the North Sea is in fact imposing on us an escape from an almost entirely mistaken enterprise. It is worth considering, at least, whether we may not now be *getting it right in spite of ourselves*.

Central aim

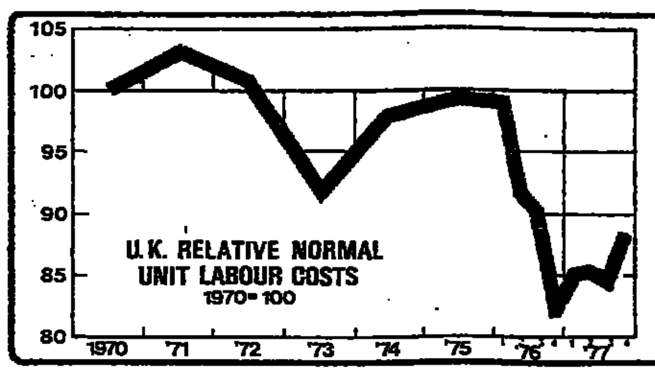
The two basic theses of the alarmists are either that the rise in sterling has rendered Britain largely uncompetitive; or alternatively that it is at least threatening to compress profit margins to the point where there will be no finance for the investment which has been a central aim of policy for so long. As a first step, it is worth seeing how well these theses stand up to the evidence.

Competitiveness *is* an elusive measure, as Peter Riddell made clear in a recent analysis in these pages. In the days when Mr. Wilson was opposing devaluation (much against the advice of Lord Kaldor) he used to proclaim that British export prices were competitive—ignoring the fact that any price at which business is done is by definition competitive. More recently CBI members have begun to complain of price constraints on export sales, which means that they are noticing that they have to compete on price; but the merchants of the London Chamber of Commerce have said that they are finding strong sterling no problem.

The price measure, then, is probably about as broad as it is long; so the second line of defence is to appeal to anecdote and the trade figures. Certain industries are clearly not competitive—which if they are on strike, or trying to survive the consequences of major errors in design policy, is hardly surprising. Equally, the trade figures have taken on a sinister trend, which is regarded as conclusive. As a short-run judgment this may well be true, though the seasonal and cyclical factors are so hard to estimate that only the most foolhardy statistician could derive any clear underlying trend of current competitive efficiency — what the Chancellor now calls "industrial performance."

Even if such a figure could be derived, though, it would only tell us what is going on at the moment. In the longer run, when product mistakes can be rectified and temporary problems solved, we need a measure of *potential* competitiveness. This must surely be based on real wages and real productivity.

These indicators are summed up in the charts, and need only a minimum of comment from me. The normalised series for wage costs—which is in fact the indicator of current competitiveness used by the International Monetary Fund—shows that at the end of last year British labour costs were still historically low. This figure is probably deceptively reassuring, since wage cost inflation—unlike price inflation—is likely to remain in double figures in the U.K. this year (13-14 per cent. on earnings, optimistically three per cent. on productivity), while running at three to five per cent. in most competing countries. This index will probably have climbed to the mid-90s by the end of this year; that it why Mr. Healey is so determined to see a further reduction in wage rises.

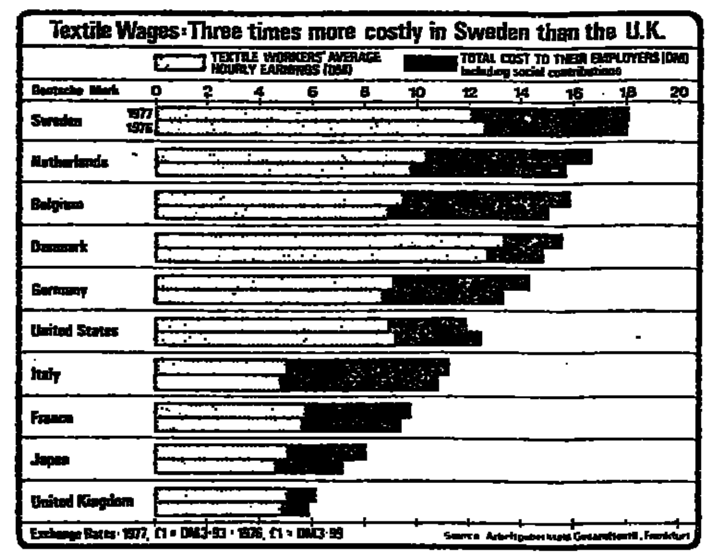


Relative labour costs are defined as U.K. normal labour costs per unit of output, divided by a weighted average of competitors' normal unit labour costs, both series being expressed in a common currency and adjusted for variations in productivity about its long-term trends. The series is calculated by the IMF's Research Department. Figures for the third and fourth quarters, 1977, are Treasury estimates.

This is an index of current competitiveness. For the longer term it *is* also interesting to see how man-hour costs compare, since this measures the attraction of the U.K. market to any manufacturer who can approach an international standard of efficiency in a U.K. operation (as some do). The figures given here for just one industry, simply because they happen to have been analysed very recently, are by all means anecdotal: but they do suggest that it would take an heroic effort by the militants and the Secretary of State for Social Services to make Britain appear anything but a very cheap labour market.

Fallacies

It is at this point that the critics triumphantly proclaim that nothing of the kind will happen unless there is a large rise in investment, since investment at recent levels, though much higher than in earlier decades, has not prevented a large rise in unemployment. This argument seems to me riddled with fallacies: but they are so widely accepted that I can perhaps best display them by introducing, with apologies to my sophisticated readers, the last resort of the despairing commentator, a little green man from Mars.



A Martian economist, who could read numbers but no English, might well survey recent history and come up with the conclusion—already suggested by a historic article by Professor Robin Matthews filed in the memory bank more than a decade ago—that the basic cause of the British disease is an excess of investment.

The fact is numerically obvious for a start. Britain has for some years devoted about 11 per cent. of GDP to non-housing investment, not very far below the international average; but the growth of output has been less than half the international norm. We could have achieved our growth with much less investment—and this in turn would have allowed for a larger growth of consumption, encouraging more expansion.

Further analysis would show how and why this has happened. Since the early 1960s no less than 6 per cent. of GDP has been transferred from consumption to investment. Since the terms of trade also worsened by some 20 per cent. over the period, very little was left for consumption, so the home market stagnated. (Our Martian also notes the growth of public spending; but while this suggests a systematic destruction of incentive, it does not explain the slow growth of total output.) If this is export-led growth, he will not recommend it to his friends.

Why, though, was so much invested for so little reward? The tax and financial figures provide the explanation. Successive Governments have steadily removed taxes from industry until recently, with 100 per cent. first-year depreciation, the Government is effectively putting up more than half the money. This means that investment attracting this treatment need only show half the return of any investment not so treated.

What kind of investment? The Martian tries a hypothesis: Investment tends to show its lowest return in the most capital intensive uses, by the law of diminishing returns, and perhaps in housing; so he would expect to find a preponderance of capital-intensive growth—say chemicals and refining—together with more labour substitution than is justified by wage rates, and an overgrown housing sector.

The figures, he is delighted to find, confirm this hypothesis; but a little further research shows that Government policies have reinforced the inevitable. Regional policy offers extra subsidies for capital-intensive projects, and the tax system is strongly biased in favour of housing. In sum, the U.K. has depressed consumption to encourage low-return capital formation and displace labour.

The remedies suggest themselves: restore the tax balance and aim at steady demand-led growth, with perhaps a stress on labour-intensive (small company) development. That is still not policy: but add together the effects of rising real incomes (from sterling), rising North Sea revenues (to finance personal tax cuts, among other things), political pressure to help small companies and financial pressure against exchange controls, and we seem to be drifting, despite protest, in a direction a Martian might approve. Could he be right?

Anthony Harris

Letters to the Editor

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It is obvious that industrial developers take a very real risk in committing themselves to the enormous costs involved in commercial and industrial development before they have a tenant lined up. Their profits, when achieved, are totally justified by the service they provide to industries urgently needing to expand or relocate where the time involved in construction is unacceptable.

Mr. Bradley should not assume that the market conditions causing increases in housing land prices are in any way similar to those causing the increases in industrial land prices; the latter being caused mainly by a large number of institutions chasing a small number of commercial and industrial investments: but surely he does not advocate additional Government interference with the natural course of supply and demand.

If banks are lending against over valued assets I should be very surprised indeed as there cannot be many who are totally free of the loss making situations which came home to roost in 1974. I certainly do not know any bankers with such short memories: I wish I did!

Michael J. Pritchard.
Commercial Relocation Consultants.
Index House, Ascot, Berks.

Fundamental tax

From Mr. J. Slater.

Sir,—The deep concern expressed by Mr. Victor H. Bradley (February 20) should stir the sympathies of a much wider range of readers than of builders. Mr. Bradley complains about the excessive increases in the current prices of building land for which credit is becoming more freely available to borrowers.

I would submit that the remedy for this, and the consequent abuses, is not the imposition by the Government, of further restrictions on the borrowing powers on would-be house purchasers, but the much more fundamental measure of Land Value Taxation. This would strike at the root of all land abuses, not least, the private ownership of land, a condition which enables some men to exploit their neighbours and reap the benefits of general prosperity.

This burning question has been ignored for too long by all political parties who, instead, have advanced all kinds of palliatives to remedy our economic ills, thus ever postponing the inevitable day of true reform.

James D. Slater.
1, Riddings Lane, Whalley, Blackburn, Lancs.

Supply of land

From Mr. A. Gray.

Sir,—Mr. Bradley is quite correct when he says that high land values can be harmful (February 20) but I do not agree with his suggestion that Government should issue directives to banks not to lend money for the purchase of land, if only for the reason that pension funds and insurance companies, to name but two types of institution, are capable of affecting land prices in a big way without a penny of borrowed money.

Furthermore, I see no distinction between a builder using land as collateral for finance and a speculator using it as collateral for dealing. The aim of each is to maximise profit.

If Mr. Bradley really wants to maintain a good supply of cheap land he will need to look for a system which automatically ensures that all unused land is constantly offered to the market. By this mechanism prices will stabilise at a natural level and sites of marginal utility will always be cheaply available. It is quite clearly the hoarding of unused land, both central and marginal, that sustains the false, high values.

Such a new system would be successful where the Community Land Act has failed.

Adrian Gray.
31, Russell Road, Wimbledon, S.W.19.

The pig market

From the Chairman, Pig Environment Company.

Sir, — On behalf of U.K. pig farmers I wish to protest against Mr. John Cherrington's article "The going may get even harder" (February 10). After we have been operating in a loss situation for over 12 months; and cognisant of the maniacal manipulation of the green pound by our Government and the grossly unfair method of calculating monetary compensatory amounts, it is truly incredible to see Mr. Cherrington justify his statement with a few figures supplied by the Meat and Livestock Commission and others.

Mr. Cherrington is a well-respected and much-travelled man. Surely he cannot be so naive as to imagine that his article presented the complete picture. He writes of their three fundamental advantages but fails to *mention more significant* differences which give our competitors enormous advantages. The principal one is, of course, that their respective Governments are more sympathetically disposed to food production. Much criticism is levelled against the Common Agriculture Policy, but, in reality, the mountains so produced are small percentages of production, and if prices were fixed so as to discourage production, the horrible alternative of shortage and its implications would arise. The benefits which CAP has given are obvious for all to see on visiting farms on the Continent, particularly that of confidence in their future, which our livestock industry can only envy. Is this confidence not the very foundation which will enable them to apply still more pressure on our market?

British pig farmers are fast discovering that the odds are very heavily stacked against them, and I am sure that neither the Financial Times nor Mr. Cherrington would wish to perpetrate any injustice. As a pig farmer, I ask only for the opportunity to compete on equal terms with the rest of the community, and to infer that this is the case at present is a travesty.

P. M. Walshaw.
West Ella Hall, West Ella, Hull, E. Yorkshire.

Conference centres

From the Leader, Greater London Council.

Sir,—Your conference centres feature (February 20) alluded to London's attractiveness as a conference/exhibition venue and touched upon Greater London Council's role. That London has more to offer than any other city in Europe (let alone in Britain) is unarguable, but it is the direct facilities themselves which now need both an overhaul and adding to.

True, the GLC is committed morally and financially to the continuation of Earls Court, and we hope to arrest its decline. But we need to go further, and the dereliction in docklands and elsewhere allows us to.

We do not want to see merely a national conference and/or exhibition centre: what we are after is the international custom, and the benefits that this will bring primarily in terms of jobs. It needs to be stressed that many of the jobs created by these facilities are unskilled or semi-skilled, for which London has a crying need.

If London does not take the lead now it will lose it perhaps beyond redemption. And if, to return to my well-worn theme, the Government steps in once again and stops us from providing for London's future there is going to be hell to pay.

Horace Cutler.
County Hall, S.E.1.

The give-away tax treaty

From Mr. J. Newman.

Sir,—The piece in Lex (February 20) regarding the U.K./U.S. double tax treaty is a timely reminder that the benefits of the new treaty from a U.K. viewpoint are very few. The treaty to my mind represents a give-away to U.S. corporate and individual investors in the U.K.

Currently on dividends from U.S. stocks, a U.S. federal withholding tax of 15 per cent. is applied whoever the U.K. investor is. Under the new treaty this will only be reduced to 5 per cent. if the U.K. investor is a corporation and controls more than 10 per cent. of the ordinary share capital of the U.S. company. This (apart from the unitary tax point for California) seems to be the only U.K. benefit from the new treaty. In fact it puts the U.K. in line with the U.S./Netherlands treaty which has been in existence for some years.

The position for the U.S. corporate and individual investor is very much more beneficial. For the individual investor a full credit will be obtained for all advance corporation tax (ACT) paid with the dividend but from this ACT a notional withholding tax of 15 per cent. will be deducted. This means for £100 of dividend, a tax repayment of £28.80 will be due to the U.S. individual investor. For corporate investors also part of the ACT will become repayable. The amount depends on how much of the voting stock in the U.K. company the U.S. corporate investor controls. If it is less than 10 per cent. then the repayment will be the same amount as for an individual. If it is more than 10 per cent., the repayment is a reduced amount which works out at roughly £19.40 on a dividend of £100.

If the rate of U.K. corporation tax was higher than that in the U.S. there would be a good reason for giving repayments of £19.40 and £28.80 on U.K. dividends going to the U.S. as opposed to being charged £5 and £15 in the reverse direction. However the U.K. corporation tax rate is, currently, 52 per cent. and the U.S. federal income tax rate on corporations is 48 per cent. In addition in the U.S. state and local corporation income taxes are payable which can amount to between 10 per cent. and 20 per cent. And the U.S. corporate investor can take advantage of the generous U.K. first year allowances and stock appreciation relief. The treaty therefore means that this disparity in rates will be widened.

I suppose one has to recognise that the U.K. Government may be overawed by the U.S. in economic and fiscal negotiations but I do feel that the Treasury should attempt to achieve fiscal symmetry in these negotiations. By all means grant ACT credits but this should be at the cost of the U.S. eliminating withholding taxes on dividends.

J. A. Newman.
21, Mincing Lane, E.C.3.

To-day's Events

GENERAL

Department of Industry issues details of capital expenditure by manufacturing, distributive and service industries: and manufacturers' and distributors' stocks (fourth quarter, provisional).

Energy Trends publication from Department of Energy.

Mr. Reginald Freeson, Minister for Housing and Construction, discusses impending closure of Typhoo Tea packing factory in Birmingham with Cadbury-Schweppes chairman.

British Shipbuilders Board meets and is expected to discuss recognition of Shipbuilding and Allied Industries Management Association.

The Queen visits new Public Record Office at Kew.

Duke of Edinburgh begins tour of Merseyside, Cheshire, Manchester and Lancashire.

Prince of Wales starts tour of Strathclyde.

Financial Times two-day conference on Business with Spain ends in Madrid.

Negotiating conference on new International Wheat Agreement continues in Geneva.

Stock Exchange mission continues visit to U.S. to study regulatory procedures in stock markets.

London Chamber of Commerce seminar on pensions, 69, Cannon Street, E.C.4, 2.30 p.m.

Sir Peter Vanneck, Lord Mayor of London, and his Sheriffs attend Needlemakers' Company dinner, Mansion House, E.C.4.

Final day of British Growers Look Ahead conference and exhibition, Harrogate Exhibition Centre.

Final day of Advertising and Marketing Services Exhibition, Wembley Conference Centre.

PARLIAMENTARY BUSINESS

House of Commons: Debate on developments in European Communities July-December 1977. Second reading of Commonwealth Development Corporation Bill (Lords) and of Northern Ireland (Emergency Provisions) Bill (Lords). Motion on EEC document on Conflict of Laws on Employment Relationships in the Community.

House of Lords: Theft Bill, report stage. Blasphemy (Abolition of Offence) Bill, second reading.

OFFICIAL STATISTICS

Car and commercial vehicle production (January, final). New vehicle registrations (January).

COMPANY RESULTS

Barclays Bank (full year). Hoover (full year). Imperial Chemical Industries (full year).

COMPANY MEETINGS

Caplan Profile, Winchester House, E.C.11. Charterhouse, Abercorn Rooms, E.C., 12.

COMPANY NEWS + COMMENT

BOC down £6m. after £3m. strike cost

MAINLY REFLECTING a four-week strike in the U.K. gases division, which is estimated to have cost £3m., and a sharp profit decline in certain other sectors, taxable profits of BOC International dropped from £16.6m. to £10.8m. in the first quarter of 1977-78.

In his annual statement reported yesterday Sir Leslie Smith, chairman, described the strike as the most damaging in the group's history. As a result, the current year would be difficult for the group and the earnings growth of recent years would not be maintained, he declared.

Apart from the effect of the strike on European profits they were also affected by a significant decline in the results of the chemicals, metals and Medishield businesses. Out of a total trading profit of £14.7m. against £21.6m. for the first quarter, the European side showed a reduction from £7.5m. to £1.6m.

In his statement the chairman said that demand for the group's products should increase during the year, but it would be harder to achieve a reasonable profit level. The squeeze on margins would be most noticeable in Europe and the region's profit would be affected by the strike. With lower margins a more selective view on investment might be necessary, he stated.

The chairman foresaw some improvement overseas but the recent strengthening of sterling would reduce substantially the reported value of overseas earnings.

Though the group was insulated from the worst effects of inflation, currency movements and political see-saws, a temporary check on growth and expansion was inevitable and the consequences of the strike would be felt for years to come.

In the first quarter of 1977-78 sterling strengthened against other major currencies and profit would have been higher by £0.9m. if exchange rates ruling at September 30, 1977 had still applied.

The results do not take into account the 1.8m. shares in Airco Inc acquired as a result of the tender offer on January 3, 1978.

Deferred tax has been calculated in accordance with ED19. On this basis the tax charged for the 1976 quarter would have been £7m.

After allowing for tax and minorities the available balance for the first quarter of 1977-78 emerges at £3.1m. against £6.6m., with earnings per 25p share stated to be down from 2.55p to 0.95p. For the whole of 1976-77 the pre-tax profit was £82.2m.

	First quarter 1977-78 £m	First quarter 1976-77 £m
Sales	155.5	159.2
Operating costs	[illegible]	134.[illegible]
Depreciation	10.[illegible]	8.5
Associates	4.8	5.2
Trading profit	14.7	21.6
Europe	1.6	7.5
Africa	5.7	5.5
Americas	4.0	4.7
Asia	0.9	1.2
Pacific	4.5	4.7
Interest	3.9	5.0
Pre-tax profit	10.8	16.6
Taxation	6.1	[illegible]
Minorities	1.6	1.7
Available	3.1	6.6

Statement page 26
See Lex

INDEX TO COMPANY HIGHLIGHTS

Optimism at Dobson Park

THE OVERALL picture for Dobson Park Industries was encouraging and profits for the current half year should exceed those of the comparable period last year, Mr. Jim Ward, chairman, told the annual meeting.

He said that mining machinery orders remained at a good level while the demand for Kango Hammers and Markon alternators continued most satisfactory; but concrete and heavy forging were still experiencing difficult conditions.

During the current year the group was budgeting for an increase of 40 per cent. in planned capital expenditure, including the building of additional manufacturing premises in Wigan to meet the expected demand for the heavier types of underground powered roof supports.

Bland Payne jumps to £21.9m.

REFLECTING A large amount of new business obtained, profits of Bland Payne, the international insurance and reinsurance broking group, expanded by 44 per cent. to a record £21.9m. in the year ended September 30, 1977.

In the current year Mr. Neil Mills, chairman, does not anticipate a continuation of such rapid growth but prospects are good and he is confident that the group will have a successful year.

Mr. Mills reports that group companies worldwide continued to expand their market share and profitability and companies based outside the U.K. now account for nearly half of the group's profit.

The year saw the value of premiums handled by Bland Payne's insurance broking companies rise from £416m. to £519m., an increase of 25 per cent., with an estimated £240m. of the foreign currency premium throughput of U.K. broking subsidiaries being generated from overseas.

Profits included in the 1976-77 results attributable to the decline in the value of the Pound fell from £3.8m. to an estimated £1.1m.

Commenting on the current year the chairman explains that economic factors especially the strengthening Pound will have an adverse effect on the sterling value of overseas income, and a depressed marine market will also affect income.

However, an increasingly important contribution from the Lloyd's underwriting agency companies within the group is anticipated.

Record for Law Debenture

FROM TOTAL income of £1.36m., against £1.15m., pre-tax revenue of Law Debenture Corporation lifted from £761,117 to a peak £885,729 in 1977.

Profit is after administration and other expenses and interest charges of £477,100 (£384,883), and subject to tax of £340,996 (£264,851). Net revenue emerges at £544,733 (£496,266).

An unchanged final dividend of 3p net per 25p share takes the total to 4.5p (4p). Earnings per share are shown at 4.79p (4.54p) and net asset value per share at 121.8p (95.7p), and assuming full conversion at 121.7p (97.2p).

Confidence at A.C.E. Machinery

The growth prospects of the chemical engineering subsidiary of A.C.E. Machinery (Holdings) look very promising, Mr. H. V. Gort, chairman, says. Contracts substantially exceeding last year's intake have already been obtained.

He says in his statement with accounts that the company is actively engaged in developing industrial demand for the subsidiary's plant. It is clear from market research that there is considerable potential, and the group expects some significant contracts from the industrial field in the year.

As previously reported, pre-tax profits of the group declined from £418,894 to £220,787 in the year, but the chairman points out that much of this came from increased spending on overseas exhibitions, exceptional research and development costs and the increased cost of developing overseas markets. These amounted to some £75,000.

Johnson Matthey downturn

A THIRD quarter downturn from £4.89m. in the same period last year to £3.34m. has left taxable profit of Johnson Matthey and Co. down from £14.03m. to £13.37m. in the nine months to December 31, 1977.

Sales, excluding Johnson Matthey Bankers, totalled £315.64m. compared with £273.38m. for the nine months, and profit is after interest of £2.46m. (£2.31m.) and depreciation of £2.32m. (£2.07m.).

After tax of £6.73m., compared with £7.02m., and minorities of £104,000 (£71,000) retained profit comes out at £5.41m. (£6.09m.).

Net assets are given at £140.5m., against £137.13m., including base stocks of £23.2m. (£20.91m.).

Directors say that precious metal stocks are valued at base prices plus attributable tax, and that if market prices had been used the balance-sheet total would have been higher by £21.7m. (£21.82m.).

● comment

Johnson Matthey has been hit by the full force of the improving pound, and the deepening chemical recession in its third-quarter figures. As a result pre-tax profits are down 32 per cent. at £3.34m., against most analysts' expectations of around £4.5m.; the shares lost 32p at 415p. Matthey uses exchange rates prevailing at the end of each quarter. If the rates that had existed at the end of the second quarter had been used, profits would have been some £350,000 higher. Nevertheless, the overcapacity in the refining and chemical market, together with keen competitive pressure on prices, has been responsible for virtually all the £665,000 downturn in profits over the nine-month period.

The group's other activities are marking time. Although lower interest rates have hit banking profits the effects have been offset by bullion dealings, but there has been some marginal improvement in mechanical production. For the full year analysts have now revised their expectations down to £19m., against £21m., which puts the shares at 415p on a prospective p/e of 7.3, and yield 5 per cent. assuming a maximum payout, covered nearly fourfold by earnings.

J. Jackson prospects

Mr. P. J. White, chairman of J. and H. B. Jackson says in his statement with accounts that last year's record pre-tax profit of £2.29m. should be maintained in the current year to September 30.

Although there are obviously several problem areas the quality of earnings is steadily improving, he says.

Several areas of temporary difficulty are now behind the engineering division, and Gears (Burbage), after last year's reorganisation, is now seeing the benefits of this expansion. Jackson is also looking much busier on the hydraulic equipment side. The engineering division contributed £0.54m. (£0.48m.) of the gross trading profit of £2.36m.

Meeting, Coventry, March 21 at noon.

VECTIS STONE

Shareholders in Vectis Stone Group were told at the annual meeting that the current year had started well.

The first quarter was up on the same period last year and this should be reflected in a better first half and an improved result for the year.

DANAE INVS.

HOLDERS OF Danae Investment Trust warrant certificates are reminded that they will be able to exercise their right of subscription, either in whole or part in respect of any such certificates held by March 31, 1978 at 65p per unit. A unit consists of one income share and one capital share.

Ashley Ashwood

Sir Leslie Smith, chairman of BOC International.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Apex Properties ......int.	1.2	April 4	1.2	—	3.48
Carrington Viyella	1.51	April 20	1.35	2.1	1.88
Cons. Gold Flds. Aust. int.	‡6	April 28	nil	—	6
Daejan Holdings ......int.	1.16	Apr. 4	1.14	—	2.83
Felixstowe Tank	10	—	7.5	12.5	10
Gillett Brothers	8.58	—	8.13	15.18	13
Law Debenture Corp. ...	3	April 26	3	4.5	4
London Pavilion	12.5	May 24	12.5	12.5	12.5
Moorside Trust	3.5	—	3	4.75	4
Oakbridge ....int.	‡6	—	5	—	11
Radley Fashions .... int.	1.44	Apr. 5	1.31	—	3.94

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Australian cents gross throughout.

Plantation Hds. tops £4m. but slower in second half

DESPITE a slowdown in taxable earnings from £2.31m. to £1.6m. in the second half Plantation Holdings ended 1977 with profit up £0.6m at £4.13m. Sales by the group, which has interests ranging from rubber and palm oil, to scientific instrument manufacture and television programme production facilities, rose from £27.13m. to £34.54m.

In September the directors said that much of the improved performance by U.K. operations came from efforts to increase exports and improved efficiency.

Tax took £1.68m. (£1.73m.) and stated earnings per 10p share came out at 6.1p (4.6p). The interim dividend declared in September was a maximum permitted total of 2.1785p net but the directors intend to pay a special dividend of not less than 0.66p in August 1978 providing there are no material unforeseen circumstances. For 1976, the total payment was 1.9505p.

There was an extraordinary debit this time of £587,000 (credit £1.92m.) including an adverse fluctuation of £0.47m. (credit £2.16m.).

As reported in December the directors and their advisers are considering the feasibility of reorganising the company's capital structure to enable members to have the opportunity to obtain a direct interest in a company owning all the group's assets in Malaysia.

Discussions are continuing and, as indicated earlier, it will be some time before a further announcement can be made.

Profits from the Malaysian Plantations were similar to those for 1976, the second half having been adversely affected by low crops, a fall in prices and the higher value of sterling.

	1977 £000	1976 £000
Turnover	34.541	27.130
Rubber	4.505	3.745
Palm oil	4.250	3.269
Light engineering	5.496	6.775
Scientific instruments	9.560	8.573
Consumer and video	7.637	4.548
Trading profits	4.289	3.652
Rubber	939	1.049
Palm oil	1.561	1.564
Light engineering	9	320
Scientific instruments	1.067	847
Consumer and video	694	[illegible]
Interest	164	159
Pre-tax profit	4.125	3.524
Taxation*	1.676	1.727
Net profit	2.449	1.797
Extraordinary debit	587	1.914
From currency reserve	470	‡2.160
Attributable	2.332	1.55[illegible]
Dividends	874	779
To revenue reserve	1.456	774

† Loss. * Including £1.22m. (£1.3m.) overseas tax. ‡ To currency reserve.

U.K. operations surplus was up by almost 40 per cent., despite a substantial setback in some parts of the light engineering division, but the second half did not show the same buoyancy as the earlier part of the year, the directors say.

● comment

After Plantation's 108 per cent. profit increase at the interim the market had expected much more than a 17 per cent. rise for the full year. The performance of the Malaysian operations was particularly disappointing. Palm oil profits, after rising 328 per cent. in the first half, more than halved in the second half as the market price of palm oil fell from a peak of around $US650 a tonne to a low of around $US420 a tonne. Premium grade rubber prices were similarly affected while lower crop yields and the rise in sterling added to the group's difficulties. U.K. profits, however, were much in line with expectations although second half losses from light engineering were heavier than anticipated. This was due largely to production difficulties at the special products division. Meanwhile, a management reshuffle and reorganisation within the consumer and video operations has helped this division turn round from a £94,000 loss to profits of £694,000. Currently the group is forming its plans to deal with the pending Malaysianisation programme, which is providing speculative interest in the shares which at 68p are just below their 1977-78 peak of 69½p. Including the 1p gross promised next August the yield is 6.3, while the p/e is 11.1.

Daejan betters £1m. at interim stage

TAXABLE PROFIT of property investment group Daejan Holdings increased from £690,000 to £1,033,000 in the September 30, 1977 half year.

The result is after financing charges, expenses and depreciation of £3.04m., compared with £3.27m. last time. Tax takes £386,000 (£387,000), leaving net profit at £647,000 against £303,000.

Earnings per 25p share are shown ahead from 1.8p to 3.91p, and the interim dividend is lifted from 1.1375p to 1.155p net, as already announced. Last year a 1.7875p final was paid after a pre-tax loss of £0.34m.

Directors expect a profit for the year.

	Half-year 1977-78 £000	Half-year 1976-77 £000
Rental inc., and charges received	3,786	3,703
Property outgoings	1,989	1,389
Prop. trading profit	1,132	1,282
Inv. sales surplus	1,088	256
Int. receivable	69	68
Financing charges, expenses, depreciation	3,044	3,272
Profit before tax	1,033	690
Tax	386	387
Net profit	647	303
To minorities	9	9
Leaving	638	294

Statement page 26

BIT VALUE

Accountants Thomson McLintock and Co. have now established the value of the shares of British Investment Trust, under the formula used in the National Coal Board's pension funds in their bid for the company, at 162.22p at the close of trading on February 13.

Previous holders of the 6½ per cent. Convertible debenture 1983, and of the 7¼ per cent. Convertible debenture 1996, will therefore receive 162.22p a share for the shares into which their stock was converted (on a one-for-£1 nominal basis) following approval of the schemes put up to meetings on February 13. Cheques will be sent out on March 6.

Following the implementation of these schemes, the pension funds will own 82.5 per cent. of the Ordinary share capital of BIT.

Bond Worth deficit well below £28m.

THE FINAL deficit at Bond Worth, the carpet group which collapsed last August, should be significantly below the £28m. or so estimated in December. However, shareholders and unsecured creditors are unlikely to get anything.

The total deficiency as regards creditors at the date of collapse amounts to £21.9m., the receivers announced yesterday. This figure does not include any value of investments in subsidiaries or debts due from subsidiaries some of whose assets have now been realised.

As a result of these realisations it is likely that the total deficiency will be "materially less than stated," the receivers say.

For instance, the liabilities to debenture holders, amounting to just over £16m., should be reduced by "at least" £8m. as a result of sales of subsidiaries. Holders of the 7¼ per cent. debenture stock 1986-87 and preferential creditors are promised repayment in full.

ISSUE NEWS

Mid-Sussex raises £1.5m.

Mid-Sussex is publishing the details of a £1½m. issue of 7 per cent. Redeemable Preference Stock 1983 at a price of £100 per cent.

The stock is payable as to £10 per cent. on application. Tenders are to be received no later than Wednesday March 1 (at 11 a.m.) with the balance due on, or before, Friday March 31.

Interest will be payable half-yearly on February 28 and August 28 with the first payment amounting to £2.934 per cent. payable next August.

The stock is redeemable on February 28 1983.

Net proceeds of the issue will be applied towards the balance of the costs of a continuing programme of capital works started in 1976 and intended to meet demands of existing and new customers to the close of the century. A revised estimate of total cost is £9m. by 1980.

Brokers to the issue are Dennis Murphy Campbell.

● comment

After the near three-month famine of new issues in water stocks the £1½m. offer by Mid-Sussex is assured of an enthusiastic response. Even so the terms have been pitched at an attractive level. At the minimum offer price the running and redemption yields are both 10.608 per cent. This compares with figures of 10.54 per cent. (running) and 10.37 per cent. (redemption) for the Mid-Kent stock—probably the most comparable in the market though there is a shortage of stock available. Assuming no drastic change in the fixed interest market between now and next Wednesday morning this Mid-Sussex issue should be well subscribed and tenders will probably have to be pitched around at least £100.75 to get any stock. Other issues are evidently in the pipe-line but nothing is due for a while.

AUTOMATED—97%

Automated Security (Holdings) announces that in respect of the rights issue of 1,023,285 8 per cent. convertible cumulative redeemable preference shares of £1 each at par, acceptances have been received for 990,697 shares representing 96.82 per cent. of the issue. The balance has been sold at a premium for the benefit of shareholders entitled thereto.

RESULTS AND ACCOUNTS IN BRIEF

ABBEY PANELS—Results to September 30 1977 already known. At balance date [illegible] £1.79m. (£0.96m.). Working capital increased in the year by £29,000 [illegible]. Chairman says it would be satisfying to think that if an industrial revival should arrive Abbey [illegible] prepared for it. Meeting, [illegible] on March 15 at noon.

CLAVERHOUSE INVESTMENT TRUST—Results for 1977 already known. Fixed assets [illegible] Liquidity [illegible] £104,000. Directors see no reason to change policy of investing mainly in U.K. and they believe [illegible] compare favourably with those elsewhere. At January 27 Pearl Assurance Company held 9.4 per cent. of equity and [illegible] Amicable Life Assurance Society 5.7 per cent. Meeting, 5, Crosby Square, E.C., March 7 at 12.30 p.m.

GOLD FIELDS GROUP—U.K. currency equivalents of dividends of New Witwatersrand Gold Exploration Company, of Vogelstruisbult Metal Holdings and Gold Fields of South Africa, already announced in January are: 3.55637p, [illegible]p and 29.61806p per share, respectively.

GREENBANK TRUST — Revenue £27,600 [illegible] after tax £15,000 [illegible] for 1977. Earnings per 25p share [illegible] and dividend 3.1p (2.60) net. Net asset value per share 75p (57.125p).

LONDON PAVILION (theatrical and cinematograph managers) — Turnover [illegible] for all 1977, and pre-tax profit £3,525 (£25,251). Includes net rental income of cinema £5,191 [illegible] and lands, nil (loss £9,000), investment income gross £18,897 (£20,322) and profit on sale of investments £9,694 (loss [illegible]). Also, after rent, directors' fees, and management expenses £25,262 [illegible] and cleaning and restoration of exterior of London Pavilion £60,773 (nil). Tax recoverable £5,897 (payable £17,745), and attributable profit £7,330 (£11,130). Earnings per £1 share 5.81p (5.56p), dividend 12.5p net (same). Comparative figures adjusted.

MARLBOROUGH FUND—Final distribution for February 15, 1977, to February 20, 1978 period will be 0.519p (0.8p) net. Total for period 1.1p (1.4p). On February 21 offered price was 46.9p xd, and estimated gross yield 2.66 per cent.

PLASTIC CONSTRUCTIONS—Results for year to September 30, 1977, and comments on prospects reported February 14. Group fixed assets £513,672 (£475,731). Net current assets £1.55m. (£1.34m.). Meeting, Abercorn Rooms, EC, on March 7 at noon.

ROSEHAUGH COMPANY — Pre-tax revenue [illegible] (£12,920) after expenses [illegible] (£2,995) for six months to December 31, 1977. Tax £4,054 (£5,669). Net assets per Ordinary share 31p (29p).

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See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims: Abercom Investments, Commercial Bank of Australia, Estates Property Investment, Johnson and Firth Brown, London Shop Property Trust, Neepsend, Smith Bros., Tor Investment Trust.

Finals: Allied Insulators, Barclays Bank, Berisfords, Cardinal Investment Trust, Cornercroft, Hoover, Imperial Chemical Industries, Lancashire and London Investment Trust, Ratcliffs (Great Bridge), Rights and Issues Investment Trust, Squirrel Horn, Westwood Dawes.

FUTURE DATES

Interims—	
Downing (G. H.)	Mar. 8
Primrose Industrial	Feb. 24
Raine Engineering	Feb. 25
Ramar Textiles	Feb. 24
Staffordshire Potteries	Mar 7
Finals—	
Harmony Gold Mining	Mar. 16
Lex Service	Mar. 9
Olives Paper Mill	Mar. 1
Rea Bros.	Mar. 2
Royal Dutch Petroleum	Mar. 9
Shell Transport and Trading	Mar. 9
Tavener Rutledge	Mar. 9
Trade Indemnity	Mar. 21
Unilever	Mar. 7
Unilever N.V.	Mar. 7

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loss of £228,000, has
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Countryside Properties turnover up

Turnover of housebuilders **Countryside Properties** totalled over £3m. in the first four months of the current year which was better than the figure for the first six months of the previous 15-month accounting period, Mr. Alan Cherry, deputy chairman, told shareholders at the annual meeting.

The group's forward sales position was encouraging there being more than £5m.-worth of reservations on housing currently in course of development.

Mr. Cherry pointed out that margins for housebuilders had over the last four years been slim, and in some cases completely eroded, as a result of costs increasing at a very much higher rate than selling prices.

However, as a result of improved market conditions, Countryside had recently been able to increase the selling prices of new housing ahead of the increases in building costs. This should help to improve margins at least to a more reasonable level which is essential to assist with the replacement of land stocks.

The improved market conditions were Mr. Cherry said, again highlighting a shortage of good land suitable for residential development. This scarcity was partly due to delay in the planning process but also to the effects of Development Land Tax and the Community Land Act.

But Countryside's current stocks of land—all situated in the London commuter area—would at present-day selling prices produce some £25m. of turnover when fully developed, he told shareholders.

Profit advance at Horne

TAXABLE PROFIT of privately-owned menswear group **Horne Brothers** advanced to £1,102,583 for the 84 weeks to September 10, 1977, which on an annual basis is a record, compared with £318,799 for the previous 52 weeks. Turnover, excluding VAT, amounted to £15.76m. against £8.4m.

The exceptional start-up costs of new projects, together with the acquisition of additional retail sites, may depress current year results, say the directors.

However, they add that the company will then be in an excellent position to take advantage of the upturn in the British economy which should make itself felt in consumer terms during the year.

Tax took £568,158 (£240,334) and ordinary dividends £60,300 (£30,150), but after extraordinary credits of £554,764 (£10,729) the amount added to reserves was £1,022,445 (£54,748).

The long leasehold of one shop surplus to requirements (at 90-92 Oxford Street and once the company's headquarters) was sold for over £500,000 with the proceeds available for reinvestment.

Revenue increase at Moorside Tst.

Gross revenue of **Moorside Trust** rose to £971,166 from £842,673 in 1977.

Tax takes £274,277 (£230,974) and earnings per 25p share are given at 4.84p against 4.15p. A final dividend of 3.5p (3p) takes the total payout to 4.75p (4p).

Net asset value per share is 116.19p (89.09p).

Felixstowe Tank ahead

Following unchanged midway profits of £111,000, **Felixstowe Tank Developments** finished 1977 with a pre-tax surplus ahead from £223,763 to a record £268,895, on turnover of £838,631 against £620,827.

Tax took £142,756 (£109,247) and stated earnings increased from 11.45p to 12.61p per 25p share. A final dividend of 10p makes the total 12.5p (10p) net.

The company is 80 per cent. owned by Tankfreight, which is a wholly-owned subsidiary of National Freight Corporation, and 20 per cent. owned by Felixstowe Dock and Railway Company.

Some pick up seen by Ley's

WHILE ACTIVITY remained at a low level in most of the major industries supplied by the subsidiaries of Ley's Foundries and Engineering, it would be unwise to expect a rapid recovery from the disappointing profit level achieved in 1976-77, Mr. Francis Ley, chairman, told the annual meeting.

However, it was reasonable to anticipate that, provided activity continued at the present level, profit for the first half would show a small increase over last year.

Mr. Ley said that in the first quarter Ley's Malleable Castings, the largest subsidiary, recorded a slight decrease in the tonnage of castings sold. Profit margins remained under severe pressure as costs continued to rise towards static selling prices and, in addition, the profitability of exports fell because of the improvement in the value of the £.

In the second quarter there should be an improvement in the trading results following higher selling prices and a more stable demand than that experienced in the quarter ended March 31, 1977. Then, production was cut back as a result of severe industrial disputes at some of the company's main customers.

Bristol Waterworks at peak

After transferring £823,000, against £709,000, to contingency fund for 1977 the after-tax revenue of **Bristol Waterworks Company** soared from £1.19m. to a record £2.83m.

The larger than expected surplus was achieved mainly because the abnormally high rainfall which followed the 1976 drought, enabled the company to revert to greater use of cheaper water from the Mendips earlier than planned, and substantial savings resulted from the sharp fall in interest charges.

Neither of these factors could have been foreseen in October 1976 when the budget for the year was being prepared, the directors say.

With the actual surplus £1m. more than anticipated, at £1.36m., the directors decided to repay the major part of the additional surplus to consumers by reducing water rates and charges from January 1, 1978.

The final dividend is £2.45 per cent. on 4.9 per cent. (formerly 7 per cent.) Maximum Consolidated Ordinary Stock absorbing £61,000 (same) and £1.75m. on 3.5 per cent. (formerly 5 per cent.) Maximum Ordinary Stock absorbing £27,000 (same) and will be paid on April 4.

After payment of Preference stock dividends, absorbing £1.37m. (£1.23m.), the amount carried forward was £1.9m. (£538,000).

WINDING-UP ORDERS

Orders for the compulsory winding up of Allobrogia Steamship Corporation and of Branded Goods Wholesale (Nottingham) were made by Mr. Justice Slade in the High Court, yesterday.

Carrington Viyella up to record £16½m.

FOLLOWING THE first half profit rise from £4.3m. to £7.13m. Carrington Viyella, the textile group in which ICI has a substantial stake, maintained progress in the second six months and the pre-tax balance for 1977 emerges ahead by £5.7m. to a record £16.52m.

When reporting at the interim stage the directors explained that U.K. divisions had shown significant improvements in profitability and direct exports had again increased following a jump of 46 per cent. in 1976. A higher order book had been maintained and the directors looked forward confidently to the second half.

External sales in 1977 expanded from £278.16m. to £304.32m. within which exports rose by 19.7 per cent. to £38.9m.

	1977 £000	1976 £000
External sales	304,322	278,157
Operating profit	22,190	19,563
U.K.	21,129	16,373
Overseas	2,351	3,190
Trading profit	24,274	20,337
Re-organisation costs	2,177	1,723
Exchange gains	460	*1,011
Profit before tax	16,522	10,829
Taxation	2,347	2,206
Net profit	14,175	8,643
Minority loss	31	+157
Preference dividends	313	313
Attributable Ordinary	13,893	7,973
Ordinary dividends	3,790	2,635
Retained	9,903	5,338

* Losses. + Profit.

After tax and minorities the attributable balance came through at £13.7m. against £7.07m., giving earnings per share of 8.1p (6.38p) after excluding exchange movements. The dividend is raised by the maximum permitted from 1.88375p to 2.104p, with a final of 1.50505p.

The expected improvement in trading conditions resulting from the renewal of the Multi Fibre Arrangement, together with the possibility of an increase in consumer spending in the second half of 1978, give the Board grounds for cautious optimism.

The 1977 results reflect the adoption of the ED 19 and ED 21 proposals and comparatives have been adjusted accordingly.

Net current assets at December 31 last show an increase from £67.35m. to £83.66m., reflecting higher stocks—up from £82.36m. to £92.06m.—and a reduction from £25.63m. to 18.1m. in the overdraft.

See Lex

Small midway rise for Radley

Despite unfavourable summer weather and embargos on imported merchandise, pre-tax profits of Radley Fashions and Textiles improved slightly from £124,235 to £134,532 for the six months to October 19, 1977, on turnover of £2.46m. against £2.23m.

While export market conditions are not as buoyant as they were, the directors state, current year profits should again prove to be satisfactory. For all the previous year, a record £246,000 surplus was reported.

After tax of £70,000 (£64,600), half-year earnings are given up from 5.34p to 5.78p per 25p share. The interim dividend is lifted to 1.4375p (1.3125p) net, which has been waived by Mr. and Mrs. Radley in respect of 473,907 shares—last year's final was 2.626p.

The directors add that the delay in renewing the Multi Fibre Agreement caused considerable delays in the production schedules of the company's Far Eastern suppliers, while some of its U.K. cloth suppliers experienced technical problems with certain new fabrics.

Nevertheless, the company is hopeful that these delays will be made good by the end of the current year.

With a very good order book for the whole of 1978, Sutcliffes, a subsidiary, is expected to have another good year.

MANN EGERTON REPAYMENT

The Board of Mann Egerton intends to put a proposal to the holders of the outstanding £390,516 nominal of 6¾ per cent. Debenture Stock 1981/86 for early repayment on the basis of £94 cash for every £100 stock held.

A circular letter giving full details of the proposals will be despatched as soon as possible.

F. Pratt expects better year

THE CURRENT year is expected to be a more satisfactory one for F. Pratt Engineering Corporation, which in the year to October 31, 1977, suffered a £0.23m. profit decline to £0.71m.

Mr. A. M. G. Galliers-Pratt, chairman, says in his statement with accounts that at balance date orders on hand were £7.5m., some 31.5 per cent. above the previous year. Orders have since risen to over £8m., with direct and indirect exports continuing to be in excess of 50 per cent. of turnover.

The engineering division, which last year produced nominal profits, has received satisfactory orders for its Havelock electrode welding equipment, and a far better performance is expected this year.

Because of considerably reduced aerospace engine requirements Pratt shut its compressor blade manufacturing section in July last and the plant and buildings have been made available to augment production of the upset forge division. This division has a good order book and directors hope that industrial disputes will not seriously affect its 1978 programme.

An upturn in demand for its workholding division products has occurred in North America and its American marketer, Clausing Corporation has set up a separate workholding operation to strengthen marketing and technical support for Pratt products.

Losses are expected to continue in the constructional steel division. Orders have been obtained for warehouses and transit sheds for the Saudi Arabian port of Jeddah.

Its 21 per cent. owned Brazilian associate Centrex in 1977 occupied a new factory, although the state of the economy has not permitted the full use of facilities. Demand is expected to pick up in 1978.

Mr. Galliers-Pratt says that the 1977 result would have been further reduced by the application of inflation accounting, but says shareholders' funds would have been significantly higher than the £7m. shown in the accounts.

In the year working capital increased by £25,000 (£1.38m.), and authorised capital spending for 1977-78 is £0.46m. (£0.92m.).

Norwich Union Insurance Group owns 7.7 per cent. of shares, Prudential Assurance Co. 6.2 per cent. and Mr. Galliers-Pratt 7.9 per cent.

Meeting, Park Lane, W., on March 15 at noon.

BIDS AND DEALS

DCM paying around £6m. for U.S. acquisition

Dunbee-Combex-Marx, which is thought to be the U.K.'s largest toy company, is to pay U.S.$11.5m. (around £5.9m.) to acquire the toy and model businesses and certain other assets of Aurora Products Corporation, a subsidiary of the Nabisco foods group. The deal, which was agreed in principle last November, involves the payment by DCM of 20 per cent. of the purchase price now, followed by four equal annual payments.

Aurora, which is a market leader in North America in model car racing sets—it claims a 45 per cent. share of the total market—has been a lossmaker for a number of years. Deficits of $3.3m., $5.7m. and $5.5m. respectively were reported in the years 1974-76 and a further loss of around $7m. is estimated as the likely outcome for 1977.

Mr. Basil Feldman, the joint managing director of DCM, said yesterday that he hoped to reach break-even with the acquisition in the current year. He bases his optimism on DCM's experience in turning round lossmakers: earlier successes include Louis Marx in North America and Rovex, which includes Hornby, Scalextric and Sindy.

The assets to be acquired are valued at around $20m. Aurora's income from licenses—currently operating in France, Japan, Germany, Mexico and the U.K., with Australia and New Zealand shortly to be added—amounts to approximately $600,000 per annum, with a 20 per cent. increase projected for 1978.

Mr. Feldman attributed past losses to the "over-complicated" way in which the interests were operated. DCM's intention is to move Aurora's administration in with that of Louis Marx in Connecticut, which will result in a considerable saving in overheads. It is planned to continue the arrangement under which the model cars are manufactured in Singapore, but to simplify the U.S. operation in the manufacture of track and transformers.

He stresses that the company will be run as a separate company, still using its own name.

The agreement is subject to the ratification by the Boards of the companies and the relevant Government approval.

DALGETY

Lazard Brothers and Co. announces on behalf of Dalgety that acceptances of its recommended offer for the capital of Federated Chemical have been received in respect of 13,117,964 Ordinary shares and 425,358 Deferred shares of Federated, representing 90.7 per cent. and 99.9 per cent. respectively of the shares in issue, and representing in aggregate 90.9 per cent. of the issued capital.

The offer is now unconditional in all respects and will remain open until further notice.

LONDON PAVILION BOARD URGES OFFER REJECTION

Responding to an offer from Mr. V. Sandelson, the Board of London Pavilion states in a letter to holders that the company, though small, is strong and has no need to consider the approach for more than it is.

The Board considers that this approach is totally unacceptable, since it offers to holders nothing which they do not already enjoy.

In January, it was announced that Mr. Sandelson intended to make an offer of £3.50 for each Ordinary £1 stock unit of the company, which were to be acquired with all rights attaching thereto. Last night, the share price stood at £4.70.

The unaudited balance sheet at December 31, 1977, discloses net tangible assets of £1.93 per Ordinary share, excluding any value for the leasehold interest in The London Pavilion.

The directors, in respect of their own holdings totalling 1,918 Ordinary units (1.5 per cent.), have said that they will not be accepting Mr. Sandelson's offer. In addition, they have received assurances from holders of 83,210 units (64 per cent.) that they too will not accept.

With the full support of the company's advisers, County Bank, the directors say they unanimously recommend holders to ignore the offer and any documents in connection with it.

Full year results, announced yesterday, show attributable profits of £7,550 (£11,136) for 1977, on turnover of £57,815 (£52,948). Stated earnings are down from 8.56p to 5.81p per unit and the dividend is maintained at 12.5p net.

MANSON BUYER

Manson Finance Trust turns out to be the mystery buyer of London and European Trust. Last week the transaction was announced by the seller, London and European Securities, but the purchaser's identity was not revealed.

London and European Trust is a banking company whose net assets consist almost entirely of cash. Manson announcement indicates that the consideration of £877,815 is based on the value of those net assets plus £25,000 for goodwill. LET made an unaudited loss of £20,000 in 1977.

Manson also stated in the announcement that the acquisition is in pursuance of the company's expansion plans and will add further strength to its existing banking activities. Nobody in the company could be reached for further comment yesterday.

The deal is big enough for Manson that it would normally be considered a Class 1 transaction which entails sending a circular to shareholders. However, the Stock Exchange agreed to treat it as a Class 2 transaction since the purchase was by way of extension of existing interests. Class 2 transactions have to be announced to the Stock Exchange and the Press.

LONDON SUMATRA MAY GET MORE

The Rothschild camp made a new tactical move yesterday in its bid to extract London Sumatra from the Harrisons and Crosfields plantations empire.

McLeod-Sipef Plantations, the creation of the Rothschild consortium wrote to Robert Fleming, financial advisers to London Sumatra, saying that it might be prepared to make a higher offer than the 110p per share currently on the table.

"We note," writes McLeod Sipef, "that you intend shortly to explain why you recommend rejection of the offer . . . Should this information—previously undisclosed—substantiate your claim that the shares . . . are indeed worth more than 110p, McLeod Sipef is ready, subject only to your recommendation and that of the Board, to make a higher offer."

McLeod Sipef has taken the "unusual step" of informing Fleming of its willingness to increase the offer to help the independent adviser "in considering how best to look after the interests of all shareholders."

However, last night it seemed that McLeod Sipef is unlikely to get all the information is would like for a while yet. The independent valuation of the Indonesian estates will not be ready in time for inclusion in Fleming's rejection document.

Apex Props. slips £17,000 at halftime

WITH INTEREST received down from £56,772 to £44,333 Apex Properties shows pre-tax profit for the six months to September 30, 1977, down £17,148 at £186,839. Rents received were marginally higher at £410,531, against £404,871.

A further fall in interest receivable is expected in the second half but rental income will improve leaving full time profit slightly lower than the £422,116 last time, the directors say.

Earnings per 10p share are stated down at 2.52p (2.75p). The net interim dividend is held at 1.2p absorbing £43,084. Last year's final was 2.28157p.

Net profit came out at £90,643 (£98,874) after tax of £98,196 (£107,113).

Jaycee falls to £455,000

Despite a rise of 22.9 per cent. to £8.07m. in sales—which included a 57.4 per cent. jump to £4.63m. in exports—profits of Jaycee Furniture, private manufacturers of U.K. period-style furniture, fell from £561,000 to £455,000 in the year ended September 30, 1977.

In view of a generally bad year for all furniture sales in Jaycee's two largest markets—West Germany and Britain (down 5 per cent. over 1976), plus increased costs and higher sterling rates, Dr. Clive Cohen, chairman, views the figures with satisfaction.

He explains that British furnitures sales dropped in spring 1977 and did not recover until autumn. By that time the company had profitably directed more efforts overseas.

Meanwhile the company is prepared to accept a lower profit margin temporarily to maintain growth in such difficult conditions.

Provided promised expansion of U.K. consumer spending materialises and currency movements do not harm the position abroad, the chairman expects 1978 sales and profits to improve.

Liner expects poor first half

Thomas Tilling has despatched its formal offer document in connection with the recommended offer for Liner Concrete Machinery.

In a letter of recommendation, Liner's chairman, Mr. P. S. Field, points out that the trading prospects of Liner are not encouraging. "In the recent past we benefited from orders from the Middle East countries, but these markets are currently well stocked and order have declined markedly. Consequently the trading figures for the first six months of the current financial year are expected to be very poor," he says.

The bid for Liner takes the form of share swop of 4 Ordinary shares in Tilling for every 13 Ordinary in Liner. At the time of the bid earlier this month Liner's shares were valued at 32p under the terms of the offer. This had attracted criticism from some quarters from those who had been expecting an offer of 38p.

Commenting on the terms of the bid, Mr. Field says that "Liner's share price has been maintained for some time at close to the bid price largely because of the presence of a significant shareholder, Ferguson Industrial Holdings, which has 29.9 per cent. of the Ordinary share capital."

If the present offer were not to proceed, your Board has no doubt that the share price could not be supported at the present level on the basis solely of earnings," he adds.

The offer document details Liner's directors' share dealings. Mr. K. J. Harrison is shown to have disposed of 190,887 shares, 28 per cent. of the holdings of family trusts in which he has an interest, between February 1, 1977, and January 13, 1978. The announcement of the bid was made on February 2. Nearly two-thirds of those sales, representing some 123,733 shares, took place between October 21 and 27. A price of 35p was obtained on 73,733 of the sales, while a price of 34½p was obtained on another 50,000.

With Tilling's shares standing at 100p the offer currently values Liner's shares at 30.8p. Liner's shares "high" for the year was 38p.

BELL & WEBSTER BUYS CHARCON STRUCTURES

Bell and Webster, the Hoddesdon based structual precast concrete company, has acquired the assets and business formerly carried out by Charcon Structures. The Charcon Structures range of buildings will continue to be manufactured at Littlehampton and will be sold under the Belcon trademark of Bell and Webster.

The acquisition will enable Belcon to broaden the total range of products encompassing specialist farming structures, offering in-depth expertise in agricultural as well as industrial building.

SLOUGH ESTATES

Under the agreement entered into in connection with the offer for Yorkshire and Pacific Securities in March 1969, a further 267,019 shares have been issued by Slough Estates in exchange for 65,807 shares of no par value in Slough Estates Canada.

HARCROS TRUST

Harrisons and Crosfield, having received further acceptances on February 14 and 20 inclusive in respect of 782,340 units, announces that its interest in the capital stock of Harcros Investment Trust is increased to 14.42m., or 75.85 per cent.

CORAL LEISURE

Resolutions put to shareholders of Coral Leisure Group proposing to increase the authorised capital from £7m. to £10m. and to enlarge the maximum number of directors from 12 to 16 were unanimously passed on a show of hands at an extraordinary meeting.

The resolutions are necessary for Coral to complete its agreed take-over of the Pontin's hotels and holiday villages group. Mr. Nicholas Coral, Coral's chairman, told the meeting that acceptances for the offer had been received from holders of over 19 per cent. of the equity and that, together with the irrevocable undertakings of the Pontin's Board to accept the offer, the total secured amounted to over 25 per cent.

DEWHURST EXPANSION

J. H. Dewhurst, the butchery subsidiary of Union International, has acquired Freezer Fare (Frimley), which will take the total number of freezer centres operated by Dewhurst to 77. There are four other freezer centres in the process of being fitted out ready for opening in the coming months.

The Freezer Fare stores fit into the Dewhurst pattern geographically as they are situated south and west of London and in towns where Dewfreeze shops are not at present operating.

Mr. Colin Cullimore, managing director of Dewhurst says although his original target of 150 sores by the end of 1978 now looks unlikely he still forsees a chain of 400 freezer centres as the enentual target for Dewfreeze within the next ten years. Many of these, however, will be joint operations with Dewhurst on the lines of the successful meat market and freezer centre at Bedworth.

C. H. INDUSTRIALS

Two companies within the C. H. Industrials Group — Betta Manufacturing and Compra Plastics—have been amalgamated to form Compra Trim and Nameplates. Mr. Peter Dawson and Mr. Ralph Ford have been appointed managing director and sales director, respectively.

Betta Manufacturing Company, based at Eaton Bray, near Dunstable, is one of the U.K.'s largest manufacturers of metal nameplates, panels, dials and decorative trims, while Compra Plastics of Hertford provide a similar range of items manufactured in plastic.

ASSOCIATES DEALS

Rowe and Pitman, Hurst-Brown bought for a discretionary investment client 3,000 Ever Ready Company (Holdings) at 753p.

S. G. Warburg and Co. sold on behalf of associates 10,500 Inchcape and Co. at 355p.

MONEY MARKET

Very large assistance

Bank of England Minimum Lending Rate 6½ per cent. (since January 6, 1978)

Very substantial revenue payments to the Exchequer were behind the short of credit in the London money market yesterday. A very slight net take-up of Treasury bills was another adverse factor, and these outweighed surplus balances brought forward by the banks, and a slight fall in the note circulation.

The authorities gave more than enough assistance by buying a very large amount of Treasury bills from the discount houses. Banks may therefore carry over surplus balances, and the market should also be helped by substantial Government disbursements to-day, in the shape of the Rate Support Grant.

Discount houses paid 5¾-6¼ per cent. for secured call loans in the early part, and closing balances were taken at 5-5½ per cent.

In the interbank market overnight loans opened at 6¼-6⅜ per cent. and touched 6½-6⅝ per cent., before easing to 4½-5 per cent. at the close.

Short-term fixed period interest rates remained fairly steady.

Rates in the table below are nominal in some cases.

Feb. 22 1978	Sterling Certificate of deposits	Interbank	Local Authority deposits	Local Auth negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	4½-6⅜	—	—	—	6⅜	5-6¼	—	—	—
2 days notice	—	—	6½-6¼	—	—	—	—	—	—	—
7 days or 7 days notice	—	6-6½	6⅛-6¼	—	6⅝-6¾	6⅝	5½-6	—	—	—
One month	6 7/16	6⅝-6¾	6⅛-6⅜	6½-6¼	6⅝-6⅞	6¾	5¾-5⅞	5⅞-5⅝	6⅝	7
Two months	6⅝-6½	6½-6¾	—	6⅝-6¼	6¾-7	—	6	5⅞-5¾	6⅝-6⅝	7
Three months	6⅞-6¾	6⅞-7⅛	6⅞-6⅞	6⅞-6½	7⅛-7⅛	7¼	6¼	5⅞	6½-6⅝	7
Six months	7⅝-7⅜	7⅝-7⅝	7⅜-7½	7⅛-6⅞	8-8⅛	—	—	—	7⅞	7-7½
Nine months	8-7⅞	7⅞-8	—	7⅞-7½	8⅛	—	—	—	—	—
One year	8⅛-7⅞	8-8¼	8	8⅛-7⅞	8⅛	—	—	—	—	—
Two years	—	—	9	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rate nominally three years 10½ per cent.; four years 10¾-10¾ per cent.; five years 10¾-10¾ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 6⅛-6 15/16 per cent.; four-month trade bills 7-7¼ per cent.

Approximate selling rates for one-month Treasury bills 5⅞-5⅞ per cent.; two-month 5 27/32-5 29/32 per cent.; and three-month 5 15/16 per cent. Approximate selling rate for one-month bank bills 5 31/32 per cent.; two-month 6 3/16-6 9/32 per cent.; and three-month 6⅛-6 1/32 per cent. One-month trade bills 6⅝ per cent.; two-month 6⅞ per cent.; and also three-month 6⅞ per cent.

Finance House Base Rates (published by the Finance Houses Association): 7 per cent. from February 1, 1978. Clearing Bank Deposit Rates (for small sums at seven days' notice) 3 per cent. Clearing Bank Rates for lending 6½ per cent. Treasury Bills: Average tender rates of discount 5.9730 per cent.

...Africa's falling gold output

...NNETH MARSTON, MINING EDITOR

...RM price prospects for ... "very rosy indeed," ... to Mr. Denis Maxwell, ...levelopment manager of ...rica's General Mining

... an investment confer- ...Johannesburg that the ... gold production will ...rtainly decline in the ... by the mid-1990s would ...e down to half the cur- ...: the 1977 output of ...lograms, or 22,408,037 ...as the lowest for 16

...ght it unlikely that the ...be made up by gold ... in other parts of the ...h would make it neces- ...urn to above ground ...nese, at 42,000 tonnes ... with known under- ...erves of 35,000 tonnes, ... become available if ...ere sufficiently attrac- ...id.

...well expected South ...anium production to ex- ...ly over the next few ...ne with a growth in ...r. But because of the ...ery rate there was a ... at present uranium ...it decline in real terms ...ext few years.

...ted platinum demand ...y slowly over the long ... because of recycling ...l used as a catalyst in ... exhaust emission con- ...s and partly on the ...urther development of ... propelled cars.

...ned that world copper ... would have to be cut ... this year following ...build-up in stocks to ... at end-1977. Pointing ...rent over-production, ... that it would be 1981 ...efore equilibrium in ...nd demand was

...hought that a copper ...ild again occur in the ...ecause of the current ...stment in new mining ...Mr. Maxwell added ... African copper pro- ...uld exceed 300,000 ...ear when the newly- ... lead-zinc-copper de- ...e north-western Cape ... to account and ex- ...tions expanded. This compares with 1976 production of just under 200,000 tonnes.

JOINT VENTURE APPROVAL FOR GOPENG

The London-based, Malaysian tin producer, Gopeng Consolidated, has won official approval for its joint venture plans to develop tin-bearing lands in the Chenderiang Valley of Perak, it was announced yesterday. In his annual statement, Mr. J. D. Hellings, said the approvals had been received "on a broad basis, though discussion on detail continues."

The leases were purchased in 1974, since when technical studies have taken place, but it was a Malaysian condition of local financial participation which led to the emergence of a joint venture, first disclosed in September last year.

Gopeng's subsidiary, Mambang Di-Awan, is an equal partner with the local company, Syarikat Perak. But Mr. Hellings did not specify when work on the project would start nor what would be the scope of the investment.

The movement towards the development of new deposits comes at time when ore grades in existing reserves are declining. Production in any case has been affected by adverse weather conditions, and Mr. Hellings stated that output so far this financial year "has not fully recovered."

It is expected, however, that total production this year will be similar to that of last year. This was 1,801 tonnes of concentrates. Net earnings in the 12 months to September were £836,249 and dividends of 15p a share were declared. The shares were 265p yesterday.

LOSS MOUNTS AT ROAN

The Zambian copper producer, Roan Consolidated, continues to operate at a loss and the company's position remains "serious," a company spokesman announced yesterday.

In the three months to last December there was a net loss of Kwacha6.4m. (£4.45m.), compared with a loss of Kwacha9.5m. in the preceding quarter, writes Michael Holman from Lusaka.

The losses were sustained despite a reduction in production costs. But the average copper price for the December quarter declined to Kwacha914 per tonne (£637) from Kwacha1,000 in the September quarter. Over the six months to December finished copper production was 127,248 tonnes compared with 138,183 tonnes in the same period of 1976.

Borrowings have continued to rise, but their total has not been disclosed. No dividend is being paid to the owners, among them the Zambian Government with 51 per cent., Amax of the U.S. with 20 per cent. and Zambia Copper Investments with 12.25 per cent. The shares were 73p yesterday.

NO RELIEF FOR EUROPEAN IRON PRODUCERS

European iron ore producers, especially those in the Lorraine area, have been told there is little the European Community can do to ease their lot by improving prices. This became clear yesterday when the European Commission gave a written reply to a question posed by a deputy in the European Parliament.

The Commission stated that the Community's steel industry obtained 82 per cent. of its iron ore from foreign sources and that any attempt to raise prices artificially could only have adverse effects.

The Community iron ore producers were told they should adapt to world market conditions which were marked by keen international competition. Prices of Swedish ore, which competes directly with Lorraine ore, had been adjusted, the Commission said.

Referring to the anticipated loss of 2,600 jobs in the Lorraine, the Commission said it was supporting adaptation measures through investment loans and was financing retraining schemes for workers made redundant.

MINING BRIEFS

MOUNT ISA MINES—Production for the period January 15 to February 11: Lead ore treated 179,844 tonnes, produced 7,260 tonnes crude lead and 13,515 tonnes zinc concentrates. Copper ore treated 357,134 tonnes, produced 10,050 tonnes blister copper.

PETALING TIN—January output 124½ tonnes (December 86½ tonnes).

KINTA KELLAS TIN—January output 42.63 tonnes (December not available).

WHEAL JANE—January production of tin contained in concentrates 52.52 tonnes (December 67.43 tonnes).

RAHMAN HYDRAULIC TIN—Monthly output for January 94 tonnes (December 77 tonnes).

Sun in Australia

CHEERFUL company news comes from Australia with the Gold Fields group's Consolidated Gold Fields Australia reporting an operating profit for the half-year to December 31 of $A3.19m. (£1.87m.) compared with a loss of $A121,000 in the same period of the year to last June when the total net loss reached $A3.85m.

Furthermore, CGFA expects to match the latest results in the current half-year and is declaring an interim dividend of 6 cents (3.5p). No interim was paid last time but there was a final of 6 cents.

The recovery has reflected higher earnings from the group's tin and coal interests. Buoyant tin prices and increased production should assure continued good results at the Renison tin mine in Tasmania.

The Bellambi coal operation in New South Wales has lifted half-year net profits to $A2.99m. from $A1.72m. a year ago, but it is thought that the current world steel industry recession may affect profits in the second half of the financial year to June 30.

On the other hand, profits of the group's Commonwealth Mining Investments have been reduced by the impact on share markets of the uncertain world economy, while the over-supply in rutile and zircon has produced losses at Associated Minerals Consolidated and CGFA's copper interests continue to suffer from low metal prices. CGFA rose 5p to 200p yesterday.

Going from strength to strength is Australia's Oakbridge mining and industrial group. Net operating profits for the six months to December 31 have climbed further to $A3.98m. (£2.33m.) from $A2.86m. in the same period of 1976-77 when the year total reached a record $A6.75m. Sales are 14 per cent. up at $A38m.

The latest interim is increased by 1 cent to 6 cents (3.5p), the previous year's final having been also 6 cents. Some 60 per cent. of earnings comes from the mining operations which cover coal and tin and which have contributed $A2.50m. against $A1.78m. a year ago. Oakbridge were 142p yesterday.

Clouds over Canada

THE DEPRESSION hanging over large sections of the base metals industry continues to cloud the figures of Canadian mining groups. The latest results confirm the tendency to reduced profits in the larger concerns and to losses among some of the smaller operators.

The experience of Lornex, the Rio Tinto-Zinc group's copper-molybdenum producer, is by no means unusual. Yesterday it announced a sharp cut in 1977 net profits to $Can.7.78m. (£3.57m.) from $Can.15.9m. in 1976.

Copper concentrate production last year declined 4.6m. lbs to 141.1m. lbs and the average price at 60 cents was 5 cents less than in 1976. The position at Lornex would have deteriorated further had it not been for higher molybdenum prices.

In a similar way, Granby Mines of Vancouver lost money on copper but found this offset by higher prices for its gold and by the higher value of the U.S. dollar and the Deutschemark relative to the Canadian dollar.

In the quarter to December, reports John Soganich from Toronto, the company lost $Can.800,000 (£367,985) compared with a loss of $Can.500,000 in the same quarter of 1976. The loss took place against the background of a 14 per cent. decline in production to 9.7m. lbs of copper concentrates.

The decline in earnings is more sharply marked at Vestgron Mines, the 63 per cent. owned Cominco unit which operates the Black Angel mine in Greenland. Lower zinc sales and depressed prices led to a 1977 net profit of $C5.7m. (£2.5m.) against a 1976 profit of $C15.6m., and the decline was only partially stemmed by the strong demand for lead.

Cominco, through Wood Grundy, is now seeking to raise $C50m. (£22.9m.) for Vestgron through the private placement of 2m. floating rate Preferred shares of $C25 each to be sold at par value. Part of the funds raised will be used to reduce short-term debt.

With a wider spread of interests, Kerr Addison of the Noranda group, found its earnings declining quarter by quarter so that the 1977 net profit was $C6.2m. (£2.85m.), some 9 per cent. lower than the income of 1976 at $C6.8m.

Although gold earnings were better on the back of the higher bullion price, the sluggish zinc market reduced the contributions from Mogul of Ireland and Canadian Electrolytic Zinc. At the same time Kerr found that its optimistic expectations for the build-up of uranium production at Agnew Lake Mines were thwarted.

Leach solution problems meant that extraction rates for surface stockpiled ore were low, while the complexity of the ore underground necessitated additional development and prevented leaching underground on a production scale.

SHARE STAKES

...ars Holdings—Long...ings has acquired a ...0 ordinary shares ...l interest to 102,930 ... per cent.).

...Bank—Viscount Wat...king up his entitle... new shares at 330p. ...ourne, is renouncing ...,000 new shares.

...Gerad Finance Cor... Ferney Voltaire, ...s 888,000 Ordinary ...per cent.).

...nitwear Group—Mr. ...osed of 60,000 shares ...15. This transaction ...after the announce... interim results.

... Gates—Mr. C. D. ...former major share... 35,000 shares at the ...ry.

...oldings—Mr. R. J. ...irman, sold 50,000 ... shares on February

...(Ceylon) Tea and ...states — Monlostan ...ld £51,850 stock on ...6.07 per cent.).

... Engineering Indus...ng the acquisition of ... Combustion (Hold...ustion Engineering ...as an interest in ... Ordinary shares.

...ings—Magwest Nom...ccount holds 140,400 ...res, in the capacity ... Key Small Com

... Laundries—Between ... and 13 Mr. A. B. ...d a total of 25,000 ...res.

... Whitley — Mr. F. ...posed of 35,000 ...res on February 17.

... Scottish Trust—...al Exchange Assur...cquired a further ...r cent. Preference ...sing its interest to

...national—Mr. R. S. ...or, has sold 140,000 shares to reduce his bank indebtedness.

Heron Motor Group: Heron Group has acquired a further 15,000 shares in company.

B.E.T. Omnibus Services: London and Manchester Assurance has acquired 4,100 10 per cent. Preference shares bringing its interest in that class to 20,600 shares (10.3 per cent.).

Rug Estates Holdings: Warren Plantations has acquired a further 12,500 Ordinary shares, bringing its total interest to 136,500 shares (10.1 per cent.).

G.R. (Holdings): Throgmorton Trust has disposed of 17,500 shares thereby reducing its interest to 40,000 shares, 3.87 per cent.

Scottish Homes Investment—Edinburgh Securities now holds 560,000 Ordinary shares, 8 per cent.

Braham Millar Group—On February 9 the ITC Pension Trust jointly with the ITC Pension Investments were interested in a total of 375,000 Ordinary shares. Following the sale of 50,000 Ordinary shares Throgmorton Trust is now interested in 567,142 Ordinary shares 4.96 per cent. Scottish Northern Investment Trust recently purchased 45,000 Ordinary shares bringing its holding to 1,200,000 shares, 10.5 per cent.

United Kingdom Property: Throgmorton Securities has acquired a further 624,196 Ordinary shares. Throgmorton Securities and their subsidiaries now own 25,619,331 shares (61.06 per cent.).

Tricentrol: Briconom Investments acquired a further 35,000 Ordinary shares on February 15, and now hold 1,960,000 shares (5.29 per cent.).

Associated Leisure: Mr. R. P. Ashworth purchased 30,000 Ordinary shares on February 16 at 30½p. In addition, Mr. R. Ashworth jnr. purchased 10,600 Ordinary shares at 51p.

...TMENTS

...kshire Imperial Metals changes

...IRE IMPERIAL ...IMI company, is ...nised from April 1 ...siness areas. Mr. A. ...es managing direc...ube Division, and ...arbourne managing ...per Tube Division. ...ton will continue as ...ector of Yorkshire ...ngs.

... who was appointed ...rector in 1971, has ...ible for the tubes ... Yorkshire Imperial ...972. Mr. Harbourne ...nce director of that ... 1976.

★

... G. Stenhouse, pre...hairman, has been ...hairman of STEN...INGS in succession ...Boyd.

★

...ue Jensen, chairman ...DFOS GROUP, has ...man of the Group's ...mpanies, Grundfos ... Grundfos Manufac...

★

... has been appointed ...manager of SOCIETE ... and also managing ...s merchant banking ... Société Générale ...k, and a director of ... subsidiary, Société ...ance) Leasing. He ...J. Sébire, who after ...London, will be tak...ior position within ...Générale Group.

★

... Procter, who has ... director of THOM...Y PAGES, was pre...ral sales manager. ...ment follows from ...ready announced ... Tim Hedgecock will ...sition as managing ... Thomson Yellow ... succeeded by Mr. Robin Eyres, previously sales director.

★

Mr. J. G. Soper, a Board director since 1972, who has been responsible for LETRASET operations in the Pacific and Latin America, will relinquish his executive role in September, but will remain a member of the Board. The following changes are from March 1: Mr. J. D. Bardner, now responsible for operations in North America, will become director, American and Pacific operations. Mr. M. D. Bracey, previously director of European operations, will become director, product development and supply. Mr. J. G. Waters, previously director, corporate finance, becomes director of European operations. Mr. J. C. Allen, previously responsible for manufacturing and distributing operations in the U.K., is appointed director, finance and corporate development.

★

Mr. Derek Holley, who has been appointed financial director of SINCLAIR RADIONICS, joined the company six months ago from AEI Cables, where he was financial manager. Mr. David Argent has been promoted to production director from manufacturing manager, and Mr. John Nichols, previously a Board member as head of the instrument division, now takes on responsibility for engineering all the company's products in his new post of technical director.

★

BANKINVEST, Zurich have appointed as the directors of their new London subsidiary, Trade Finance International, Mr. David Emmett (managing director) and Mr. Alan Holyoake.

★

Mr. C. Withoff, an executive of Kredietbank, of Belgium, has joined the Board of IRISH INTERCONTINENTAL BANK. Kredietbank has acquired a 75 per cent. interest in Intercontinental.

★

Mr. Peter G. Cassidy and Mr. Nigel L. Smith have been appointed directors of CHARTERHOUSE MANAGEMENT COURSES.

★

Mr. D. C. Maguire has been appointed a director of EDWARDS AND PAYNE (UNDERWRITING AGENCIES).

★

Mr. J. R. McMurtrie and Mr. D. J. Satchell have been appointed to the Board of SAVAGE AND HEATH INTERNATIONAL, the holding Board of the Savage and Heath Group.

★

Mr. Terence N. O'Neill has been appointed assistant secretary of BROWN JENKINSON AND CO., shipbrokers. Mr. O'Neill was previously in the Army with the Royal Corps of Transport.

★

Mr. Colin Nunn has become director of training, ROAD TRANSPORT INDUSTRY TRAINING BOARD, following the recent move by Mr. Peter Haxby, the former director, to the Training Services Agency. Mr. Nunn was previously divisional manager, responsible for all technical training in the industry.

★

Mr. Mike Ormiston has been made director and general manager of the contract services division of GKN MILLS BUILDING SERVICES. He rejoins the company after four years as a director of another scaffolding concern.

★

Mr. Hugh E. Sear, who has been appointed to the Board of SANDHURST MARKETING, joined the company in October 1977.

★

BRITISH RAILWAY INDUSTRY EXPORT GROUP has appointed Mr. F. H. Beasant to be its new director-general. He succeeds Mr. D. L. Bartlett, who has returned to BR's Transmark to resume his appointment as executive director following completion of 12 months' secondment. Until last year Mr. Beasant was traction director, Brush Electrical Machines, a Hawker Siddeley company.

★

MIDLAND BANK has opened a group representative office at Serrano 45, Madrid 7. Mr. John Burgess has been appointed group representative. He will advise and assist U.K. companies who are setting up in Spain or who wish to expand there, and will also assist businessmen in the area who are seeking to develop their business in Europe.

★

Mr. Gerson M. Levyns, vice-president of the metals department of CONTINENTAL GRAIN COMPANY, will join Conticommodity Services, Inc., a continental subsidiary, as vice-president, to develop its metals futures operations. Mr. Michael W. B. Heald will succeed Mr. Levyns as vice-president and general manager of Continental Grain's metals department in New York. He will remain managing director of Congrain Metals, London. Mr. Peter Henwood, now senior trader, metals, has been appointed vice-president—trading, metals department, New York. Mr. Wolfe Model, now manager, raw material acquisitions has been made vice-president—administration, metals department, New York. Mr. Jean-Claude Trebucq, director, Congrain Metals, London, has been appointed manager of trading in London. Mr. Laurie Pierce will join Congrain Metals on February 27 as director and manager of administration. Mr. Pierce was previously an executive director of metals trading with Harlow and Jones.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

NORTH AMERICAN NEWS

Sales and income up at Lockheed

BURBANK, Feb. 22.

NET INCOME of Lockheed Corporation in the fourth quarter of 1977 rose from $7.4m. to $8m., on sales ahead from $775m. to $890m.

For the year as a whole, net income advanced from $38.7m. to $55.4m. Sales rose from $3.20bn. to $3.37bn.

Lockheed attributed the higher 1977 profits to solid results recorded by nearly all of its *programmes, and to increased* interest income and a lower *effective* tax rate. The improved result does not *represent a trend,* said Lockheed.

The company also said it expects that 1977 results will again receive a qualified opinion from its outside auditors due to uncertainties originating in prior years, including the realisation of deferred charges on *the TriStar jetliner.*

Lockheed said that although production rates are being accelerated, its 1978 first quarter earnings will be substantially reduced by the two-and-a-half month-long *strike by machinists in the 1977* fourth quarter, which will have a short-term effect on *aircraft* deliveries.

Mr. Roy A. Anderson, chairman and chief executive of Lockheed, said that it will take most *of the current year for the* company to overcome completely the productive lag caused by the stoppage.

Full year 1978 profits will be affected adversely by a lower C-130 production rate and the cessation this year of the S-3A Viking anti-submarine production programme.

Sales of the TriStar remain the big question in Lockheed's future. Some analysts have said that a much awaited decision by Pan American World Airways on whether to buy as *many as 30 TriStars* is the key to the viability of the *programme.*

Lockheed is going ahead on a smaller, 200-seat version of the TriStar. The company expects first orders for this aeroplane as early as this year, and will be able to handle the develop*ment costs of the three-engined* jet without any major strain or new financing, said Mr Anderson.

The order backlog at the end of 1977 was $4.14bn. compared with $4.38bn. a year ago.

In addition, during 1977 the company signed up $1.14bn in new *orders and follow-on* business from foreign customers out of a total of $3.17bn.

Lockheed said that its long-term debt declined last year to $562m. from $673m. a year earlier. Shareholders' equity rose to $218.8m. from $166.7m.

Fourth quarter earnings per share, which went down from 50 cents to 49 cents, were based on 13.4m. shares outstanding, compared with 12.7m. shares a year earlier.

Earnings per share for the full year, up from $3.10 to $3.71, were based on 13.4m. shares compared with 12.2m. shares a year ago.

Agencies

Carter Hawley withdraws bid for Marshall Field

BY JOHN WYLES — NEW YORK, Feb. 22.

CARTER Hawley Hale Stores, the Los Angeles-based retailer, *to-day withdrew its $380m. cash* and stock offer for Marshall Field, beaten back by the implications of an ambitious expansion programme announced by the Chicago retailing chain in the past three weeks.

Although Marshall Field *affirmed* with hand on heart that its decision to build a $20m. store in Houston and to seek to develop four others in the south and south west had nothing to do with the Carter Hawley bid, its proposals were widely seen as a bold manoeuvre designed to drive back Carter Hawley.

The proposed Houston store, for example, will be built oppo*site a unit of Carter Hawley* Neiman-Marcus division. In *addition the probable cost of this* southern strategy will significantly increase Marshall Field's hitherto modest debt burden.

The company's debt equity ratio of 28 per cent. was one of the attractions for the much more highly leveraged Carter Hawley, which said in its statement to-day that Marshall Field's expansion programme "has created sufficient doubt about Marshall Field's earnings potential to *make the offer no longer in the* best interest of Carter Hawley Hale's *shareholders.*"

Withdrawal of the offer will come as no great surprise to followers of this intriguing takeover saga which began last December when Carter Hawley announced that it wanted to try to negotiate a friendly merger. Marshall Field responded by filing an anti-trust suit and its continuing opposition to the overtures from Los Angeles prompted a formal cash and stock bid on February 1.

Marshall Field's resistance has been led by Mr. Angelo Arena, Marshall Field's president, who was, until last September, chairman of Carter Hawley's *Neiman-*Marcus division.

As soon as it emerged that Mr. Arena was bent on expanding his new company, Marshall Field's share price began to decline from the $35 high established when the takeover bid, worth $42 a share, was announced.

Quaker Oats anti-trust suit may be dropped

BY OUR OWN CORRESPONDENT — NEW YORK, Feb. 22.

QUAKER OATS looks likely to be dropped from one of the most important anti-trust actions ever *launched by the U.S. Govern*ment which has alleged that *breakfast cereal manufacturers* have operated a "shared monopoly" for more than 30 years.

The Federal Trade Commis*sion's complaint dates from* 1972 when charges were filed against Quaker, Kellogg, General Foods, and General Mills, based on 1970 data the complaint recorded that Kellogg, General Mills and General Foods ranked first, second and third in accounting for a total $2 per cent. of breakfast cereal sales. At that time Quaker had 9 per cent.

The four companies were accused of "actions and inactions" over a period of 30 years designed to perpetuate their alleged monopoly. More *specifically, the four companies* were alleged to have tried to overwhelm the competition by marketing a barrage of 150 brands of cereal between 1950 and 1970. These cereals it is alleged were basically very similar, but the companies "artificially differentiated" between them in advertising *mainly directed at children. In* addition the four companies were accused of trying to limit access to retailers' shelves and of failing to compete vigorously with each others' prices and promotional programmes.

The probability of Quaker Oats dismissal from the case fol*lows an FTC Bureau of Competi*tion submission supporting Quaker's application for dismissal as a respondent. The FTC has reportedly concluded that there is not "substantial evidence that the remedy proposed against Quaker is necessary to restore competition to the ready-*to-eat cereal industry.*"

The two remedies which were being sought against Quaker would have prevented its participation in shelf space allocation and a 20-year prohibition against the company acquiring any other ready-to-eat cereal producer.

However, FTC staff are still *insisting that the record of the* trial so far supports their contention that Quaker has taken part in the alleged illegal practices.

Assets disposal hits Searle

OPERATIONS of G. D. Searle products groups, particularly consumer-pharmaceuticals and optical products, registered fourth quarter and annual increases in sales and profits. But *an increase in the company's tax* rate and a net loss from dis*continued operations resulted in* an overall loss of $28.4m. against a profit of $61.5m., or $1.18 a share previously, AP-DJ reports.

Full year results included an income from continuing operations of $35m. or 68 cents a share, *and a net loss from discontinued* operations of $63.83m. including a $59m. loss on disposal of assets.

McDermott-Babcock

J. Ray McDermott and Co. and Babcock and Wilcox said in a joint statement that their negotiating committees and directors have approved terms for Babcock's merger with McDermott. *Reuter reports from New Orleans* According to the terms, Babcock *holders will receive one share of* new McDermott $2.20 cumulative convertible preferred stock plus one share of new McDermott $2.60 cumulative Preferred for each Babcock common share.

The convertible preferred stock will be convertible initially into one share of McDermott common.

The terms of the securities are *the same as those announced by* the negotiating committees in December, except that the annual dividend on the straight preferred stock is $2.60 rather than $2.50 as previously planned.

Air Canada bid hits snag

BY VICTOR MACKIE — OTTAWA, Feb. 22.

AIR CANADA'S proposed take*over of Nordair could harm the* public interest by reducing competition in the airline industry, the Canadian Government top *anti-Trust investigator said.* Air Canada is a Government-owned airline while Nordair is privately owned.

Mr. Robert Bertrand, the Canadian Government's Con*sumer and Co-operate Air Depart*ment, warned the Canadian *Transport Commission* that takeover of the regional airline could lead to excessive concen*tration of airline business.*

He urged the (CTC) to hold *public hearings into Air Canada's* proposal to acquire a controlling interest in Nordair for some $C25m. He also wants to know more about financial aspects of the proposed take-over. Air Canada has offered $C11.50 per share for controlling block of Nordair stock, which was selling *for $C7 a share before Christmas.* He also asked whether Air Canada *has plans to integrate* Nordair routes.

Philip Morris rise

Philip Morris has raised the quarterly dividend to 51½ cents a share from 41½ cents, payable on April 12, *reports Reuter from* New York.

Bell Canada is to raise its quarterly dividend to $1.05 a *share from $1.02,* payable April 15, reports AP DJ.

Stevin sees no threat in Heerema stake

By Charles Batchelor — AMSTERDAM, Feb. 22.

STEVIN GROUP, the Utrecht-based international contracting concern, said the acquisition by a Dutch private businessman of a 40 per cent. holding in its share capital is not likely to affect its independence.

Assurances from Mr. P. Heerema, the businessman concerned, and the limitations imposed by Dutch company law have satisfied Stevin, which had turnover of Fls.1.9bn. in 1977, *that there will be no adverse con*sequences for the company.

Mr. Heerema, who lives in Fribourg, Switzerland, acquired his stake in Stevin through purchases of shares on the stock nominal capital must have been bought for about Fls.77m. ($34.9m.), according to Mr. A. C. van Wijk, company secretary of Stevin. The purchases were made by Antillian Holding of Curacao, a company in which the *Heerema family has a majority.*

Mr. Heerema said his holding was purely for investment purposes and he has no intention of becoming involved in management.

Dutch company law limits the powers of a *shareholder to* opposing company decisions, but he cannot himself make proposals.

Mr. Heerema and Stevin have not discussed the possibility of his joining the nine-man supervisory Board, although it would be a logical step for such a large *shareholder, Mr. van Wijk said.*

The company has had the impression since last summer that someone was buying Stevin shares as they came on to the market.

Among Mr. Heerema's interests *is Heerema's Engineering Ser*vices of The Hague.

Fall at Smit Internationale

By Our Own Correspondent — AMSTERDAM, Feb. 22.

A SLACKENING of offshore activity in the North Sea depressed the result of *ocean* towage and salvage firm Smit *Internationale in 1976-77.* Overcapacity in some areas of Smit's activities and tough price competition also affected the result.

Net profit in the group's first year as a publicly quoted company fell to Fls.35.4m. ($16.1m.) from Fls.52m. The year before turnover was only slightly *higher at Fls.457m.* ($207m.) (Fls.453m.). It proposes paying *an unchanged dividend* of Fls.3.60 per Fls.20 nominal share.

Efforts by the Norwegian and British governments to achieve a more gradual development of North Sea reserves showed through in Smit's result, Managing Board chairman Mr. Pieter Kleyn van Willigen told a Press *conference.* About half of the structures and pipelines which *are expected to be needed in* the North Sea have now been placed and the emphasis is shifting from exploration to production.

Smit, which is thought to have the most comprehensive towing and salvage operation in the world, is now investigating the *market* for repair and maintenance of offshore structures. *The potential is enormous* but the oil companies do not know what equipment is needed and the service companies are reluctant to develop expensive equipment and techniques unless they can foresee long-term contracts for their use, the company claims.

However, Smit does foresee an increased need for work at depths greater than those generally worked. There is strong demand for Smith's services in towing outsized loads. Two vessels are currently towing a pulp factory complete with its own power plant the 14,000 miles from Japan to Brazil. Smit expects there to be increasing *demand for sea-borne delivery of* complete factories.

The result of the first three months of the current year, ending September 30, were below the same period last year when the company was particularly active offshore.

KHD hopes to maintain dividend rate in 1978

BY ADRIAN DICKS — BONN, Feb. [illegible]

KLOECKNER - Humboldt - Deutz, the West German *diesel motors,* vehicles, process plant and *engineering group,* experienced what it describes as a satisfactory *year in 1977, but is reluctant to* predict how business will turn *out in 1978.*

In a letter to shareholders *setting out* the main aspects of last year's results, the KHD Board refrains from making any predictions of 1977 earnings, but gives a hint that the DM12 dividend per DM50 share is likely to be at least maintained.

External turnover in 1977 rose from DM3.5bn. to DM3.9bn. ($1.9bn.) for the KHD group worldwide. New orders received were down 9 per cent. to DM3.05bn. from DM3.34bn., but the Board *said* this was *due* to the fact that the 1976 figures had *included a number of long-term* contracts for series production which would actually run over a number of years.

Referring both to 1977 and to the prospects for the current year, the KHD Board expressed concern about the *implications* for its business of the steadily *climbing external value* of the Deutsche Mark. In 1977, the company reported, this led to a worsening of export profitability yet did not stand in the way of a 5 per cent. rise in new foreign orders to DM1.79bn.—or nearly 60 per cent. of the total.

For 1978, however, KHD expresses some anxiety at the enhanced price competitivity which may be forced upon it in foreign markets if these continue to be depressed by sluggish business conditions.

The letter to shareholders also reveals a modest increase, *from* $2.7bn. to $2.8bn. in the turnover of IVECO, its *joint* sales venture with Fiat for commercial vehicles, *based* in the Netherlands. It reveals that *109,000 vehicles* were sold by IVECO, with orders received for *113,000.*

Since this time last year, KHD states, the consolidation of the two partners' remaining commercial vehicle interests into the IVECO organisation has given Fiat an 80 per cent. share, up from the 75 per cent. it held before.

Rearrangement of the KHD subsidiary companies with commercial vehicle interests, leaving these to IVECO and reapportioning the remaining interests [illegible] other subsidiaries, has now completed.

Allianz year satisfactory

ALLIANZ VERSICHERUNGS AG will probably maintain [illegible] dividend for 1977 at [illegible] according to Wolfgang Sch[illegible] chairman of the management Board. On top of this div[illegible] shareholders will receive [illegible] credit of DM5.62 resulting [illegible] the German corporation [illegible] reform, he told a Press conference here.

Last year was satisfying [illegible] regard to both business g[illegible] and earnings, and underw[illegible] profits were around the sa[illegible] the DM93m. ($45.3m.) ach[illegible] in 1976, he said.

Premium income from domestic business adv[illegible] DM4.56bn. ($2.23bn.) a[illegible] DM4.24bn. in the previous [illegible] and Allianz improved [illegible] market position in some [illegible] Underwriting business [illegible] to draw on special reser[illegible] compensate for extraor[illegible] damages payments.

Norsk Hydro's debt policy

FRANKFURT, Fe[illegible]

NORSK Hydro, Norway's largest *industrial complex,* is hoping to consolidate its debt position over the next few years, Odd Narud, general director, told journalists here to-day.

At a press conference sponsored by Deutsche Bank Ag, Mr. Narud said that Norsk did not plan to incur any additional debt in 1978, *but hopes to restruc*ture its portfolio by converting *some of its medium-term debt* into long-term debt.

Norsk is currently renegotiating a large credit facility, Mr. Narud said. This is the only new loan Norsk will negotiate this year and it was added that the *company's debt position is very* well-balanced in terms of *Deutsche Marks and U.S. dollars,* but is less so in Dutch guilders and Swiss francs.

Mr. Narud said now is not the time for a rights issue, though the company still has that step under consideration as a way of improving its debt/equity ratio.

He added that despite current debt servicing costs, dividend levels should be maintained and the results for fiscal 1978 should be in line with those for 1977.

Norsk made a pre-tax profit of Kr.127m. in the first half of its year to July 1978, on sales of Kr.2.89bn.

Reuter

Burmeister and Wain earnings tumble

BURMEISTER AND WAIN, the Danish shipbuilding and industrial group, reported group profits before tax of Kr.82.6m. ($14.7m.) compared with Kr.102.8m. in 1976, writes Hilary Barnes from Copenhagen. *Invoiced* sales fell from Kr.2.18bn. to Kr.1.92bn. ($341m.).

Earnings by B. and W. Industri A/S, which includes the Copenhagen shipyard, fell from Kr.65.5m. to Kr.42.1m. on sales down from Kr.978m. to Kr.796m. Earnings in B. and W. Motor, which includes the marine [illegible] factory, were down [illegible] Kr.42.4m. to Kr.34.1m. [illegible] dend in B. and W. Indus[illegible] be 10 per cent. and in B. [illegible] Motor 8 per cent., bo[illegible] changed.

The group [illegible] earnings of Kr.11m. in [illegible] eister and Wain A/S, whic[illegible] 91.3 per cent. [illegible] B. and W. Industri and [illegible] cent. in B. and W. Motor.

The group announced plans to merge the [illegible] panies under B. and W. [illegible] The merged concern w[illegible] total assets of Kr.1.29bn. [illegible] ing Kr.365m. in equity ca[illegible] which Kr.179m. is share [illegible] The motor factory a[illegible] shipyard were made separate companies in 19[illegible] group said to-day that [illegible] tion would be strengthe[illegible] bringing the companies [illegible] again and that the [illegible] would give admin[illegible] benefits.

EUROBONDS

Recovery in DM sector

BY FRANCIS GHILES

THE D-MARK sector of the market was a little firmer yesterday than at the beginning of the week. The Banco Nacional do Desenvolvimiento issue was priced at par to yield 6.75 per cent. with terms otherwise un*changed. Initially pricing had* been indicated at 99½. Due to strong demand the amount had been increased by DM50m. to DM200m. last week by the lead manager, Commerzbank.

Demand from this issue has been exceptionally strong, it would seem, from domestic German *investors*—not only private ones but also smaller banks. The *reason for this lies in the double* taxation advantages enjoyed by any West German citizens who invest in Brazil.

Prices in the dollar sector were firm yesterday with some houses reporting very good turnover.

The sterling sector remained quiet. The FFI issue floated last year fell back to 98¼ on the announcement of the new one for the same borrower, but recovered later on to close at 98¼-98¾.

The coupon on the *European* Investment Bank's Lux.Frs.500m. 10-year *issue* was *cut* by a quarter of a point to 7¼ per cent. and has been priced at 99 to yield 7.9 per cent. Lead manager is Banque Internationale a Luxembourg.

The Fls.100m. issue for Denmark was priced at par by lead manager Algemene Bank.

● Speaking at a recent conference on Japanese foreign *bonds,* M. Shimizu of Nomura Research Institute put a figure of between 0.25 and 0.35 per cent. on the likely further fall in long term bond yields. In a personal view, he said he thought the official discount rate would be cut by ¼ or ½ of a point in March or April.

Imetal profi[illegible] marks time

By David White — PARIS, F[illegible]

WEAK markets for [illegible] nickel wiped out gains [illegible] sectors last year by the Imetal mining and meta[illegible] controlled by the R[illegible] family.

Non-consolidated prof[illegible] Imetal holding compa[illegible] "close" to those of the [illegible] year, when earning[illegible] Frs.41.5m. (about [illegible])

Among the company's [illegible] sidiaries, the lead and [illegible] ducer Penarroya [illegible] after moving out of the [illegible] a Frs.19.9m. net profit. This was despite higher [illegible] for lead, of which Pen[illegible] the leading producer [illegible] brought turnover [illegible] Frs.1.53bn. from Frs.12[illegible]

Penarroya's lead out[illegible] slightly to 310,000 ton[illegible] 305,000, but zinc [illegible] dropped to 176,000 ton[illegible] 177,000 as prices fell [illegible]

A "marked loss" [illegible] tered at Le Nickel-SL[illegible] Imetal has a half share [illegible] the State-backed [illegible] oil group, following [illegible] profit in 1976. Produ[illegible] sales of nickel dropped [illegible] a decline in prices in [illegible] half of the year left the [illegible] figure behind [illegible] Frs.1.20bn. compared [illegible] 1.25bn.

Imetal's U.S. [illegible] weld finished the year [illegible] profit slightly down [illegible] against $15m. [illegible] increased by [illegible] per [illegible] $347m.

Heuer-Leonidas omits dividend

BY JOHN WICKS — ZURICH, Feb. 22.

THE LEADING *stop-watch* manufacturer Heuer-Leonidas SA returned to profits last year after net losses in 1975 and 1976. Given the difficult situation facing the Swiss watch industry, Jack W. Heuer, managing direc*tor, said at company* headquarters in Bienne tht the results can be considered *satisfactory* for 1977. In view of carried over losses from the previous year, however the board will again *recommend passing the dividend.*

Consolidated turnover of the Heuer-Leonidas group rose by 13.5 per cent. in 1977 to SwFr.22.3m. ($12.2m.) and would have been substantially higher but for the strength of the Swiss franc exchange rate, sales in local currency by *foreign subsidiaries rose by* 16 per cent in the U.K., 22 per cent. in Germany and 27 per cent. in the U.S.

AMERICAN QUARTERLIES

ARVIN INDUSTRIES

Fourth Quarter	1977 $	1976 $
Revenue	114.0m.	101.0m
Net profits	5.0m.	5.2m.
Net per share	0.74	0.78
Year		
Revenue	460.0m.	400.0m.
Net profits	29.0m.	23.0m
Net per share	4.44	2.60

HERSHEY FOODS CORP.

Fourth Quarter	1977 $	1976 $
Revenue	196.5m.	176.3m
Net profits	14.2m.	12.0m.
Net per share	1.03	0.87
Year		
Revenue	671.2m	602.0m.
Net profits	41.3m.	44.8m
Net per share	3.01	3.26

KRUGER CO.

Fourth Quarter	1977 $	1976 $
Revenue	1.7bn.	1.6bn.
Net profits	18.2m.	16.5m.
Net per share	1.40	1.22
Year		
Revenue	*6.7bn.	6.2bn.
Net profits	60.6m.	48.3m.
Net per share	4.49	3.58

LUBRIZOL

Fourth Quarter	1977 $	1976 $
Revenue	130.0m.	111.0m
Net profits	14.0m.	12.0m
Net per share	0.73	0.61
Year		
Revenue	515.0m	457.0m
Net profits	58.0m.	51.0m.
Net per share	2.96	2.52

COMMONWEALTH EDISON

Year	1977 $	1976 $
Revenue	2.1bn.	1.9bn.
Net profits	195.0m.	198.0m.
Net per share	2.87	3.24

HUSKY OIL

Year	1977 $C	1976 $C
Revenue	620.4m.	522.4m.
Net profits	42.8m.	30.0m.
Net per share	4.06	3.02

JONATHON LOGAN

Fourth Quarter	1977 $	1976 $
Revenue	94.9m.	*911.000
Net profits	1.4m.	1.3m.
Net per share	0.25	0.24
Year		
Revenue	405.3m.	381.6m.
Net profits	10.6m.	12.8m.
Net per share	1.96	2.33

SAFEWAY STORES

Fourth Quarter	1977 $	1976 $
Revenue	3.6bn.	3.2bn
Net profits	32.0m.	32.0m
Net per share	1.22	1.24
Year		
Revenue	11.0bn.	10.0bn
first quarter net.		
Net per share	3.93	3.89

SS NEWS

Ciba-Geigy rights issue

OHN WICKS

ZURICH, Feb. 22.

WISS-based chemical con- iba-Geigy AG, of Basle, y an unchanged dividend r.22 per share and parti- t certificates for 1977, and s to raise around $27m. ghts issue.

a cash-flow for the year to Sw.Fr.1.05bn. from 40m. and profits to 29m. from Sw.Fr.320m. er improved by 5 per cent. r to Sw.Fr.9.94bn., accord- he parent company.

e Ciba AGM on May 17 rd is to recommend both ntion of the Sw.Fr.22 divi- d a rights issue in three Share and participation- te capital would, subject holder approval, rise by .55m. by a 1-for-25 rights Sw.Fr.200 per unit. The ares and participation tes would be entitled to ls as of January 1, 1978. there is to be a Sw.Fr.5m. capital on behalf of a foundation for employee partici- pation and pension-fund pay- ments, also at Sw.Fr.200 per unit but not open to existing stock- holders.

Furthermore, the Board seeks approval of a plan to issue new participation certificates worth up to a total of Sw.Fr.25m. ex- clusive of drawing rights. These would be used by Ciba-Geigy or subsidiaries for the financing of acquisitions or participations, for the financing of other asset pur- chases, to secure conversion or option rights attached to future convertible or option bond issues or for the securing of similar rights connected to other loans of these types.

Losinger sees downturn

BY OUR OWN CORRESPONDENT

ZURICH, Feb. 22.

THE BERNE-BASED Losinger AG, Switzerland's biggest build- ing company, reckons with group turnover of rather less than S.Frs.490m. for 1977. This is slightly below the previous year's level, and also rather under com- pany expectations for 1977. New- order targets were passed both at home and abroad, however, with a value of some Sw.Frs.510m., and the value of orders in hand, at Sw.Frs.475m., was above 1976 levels.

In a letter to shareholders, Victor Losinger, chairman, states that individual divisions were faced by acute problems, and that many domestic orders had to be accepted at poor prices. No recovery is expected on the home market in 1978, this after a decline in total building activity in Switzerland by about one-third over the past three years.

CC hopes to boost lending

LES MERRITT

DUBLIN, Feb. 22.

D'S Industrial Credit y (ICC) has opened ons with the European ent Bank for the first a multi-stage loan that ects will significantly ts own financing of small es in the Irish Republic. ear the ICC boosted its of small companies em- less than 100 people by cent. to around £24m. on-lending of the EIB be restricted to manu- industry making fixed- nvestments, the ICC anticipates that the loan will enable it to push its financing of smaller countries well past the 1,000 mark reached in 1977.

The ICC, which last year lifted pre-tax profits to £1.85m. from £1.5m., in 1976, is a pri- mary source of finance for the 3,000 small concerns that repre- sent about 30 per cent. of Ireland's manufacturing sector.

* * *

THE STATE-OWNED Irish Sugar Company, has announced group pre-tax profits that almost doubled to £3m. ($5.8m.) for the year ended last September 30 on turnover that increased overall by only six per cent. to £98.5m. ($191.6m.), and in the principal sugar business fell by 14.3 per cent. to £50m.

Major improvements in Irish Sugar's agricultural trading and engineering activities produced a 50 per cent. gain in sales to £29.5m., and for the first time the group's traditionally loss- making Erin Foods vegetable processing subsidiary was turned round and contributed £36,000 in pre-tax profits on turnover up 28 per cent. to £18.8m.

Although international sugar surpluses depressed the group's sugar sale, consolidated pre-tax profits for the year rose to £2.99m. from an annualised level of £1.62m. during the previous 12 months. Irish Sugar's previous report was for a 17-month period because of a change in its report- ing period from April to September.

* * *

Kredietbank of Belgium is to take a 75 per cent. equity stake in Irish Intercontinental Bank whose assets currently top £17m.

Kredietbank has acquired 42 per cent. of Irish Intercontinental from Marine Midland Bank and interests from other share- holders, but Irish Life Assurance retains its 25 per cent. stake. At the same time shareholders in Irish Intercontinental have agreed to a capital restructuring which gives Kredietbank its overall 75 per cent. stake.

Irish Life and Kredietbank have subscribed £1m. of new capital in proportion with their holdings, bringing paid up capital to £2m.

UM TERM LOANS

livia raising $155m.

ANCIS GHILES

becomes the latest g country to refinance tracted a few years ago er terms. The Republic ving $155m. for seven a split spread over the rate of 1½ per cent. for hree years rising to 1¾ for the remainder with rs grace.

k is lead manager for which will enable the o prepay three loans in 1976, for which it igher rate of interest.

r Latin American bor- etrobras Fertilizantes, iser arm of the State ny Petrobras, is rais- for seven years from of banks led by Bank of America. Other terms are undisclosed. There is a Petrobras guarantee. This operation is part of a $75m. package to help develop an ammonia and urea plant in the State of Parana. The other $50m. was provided by the World Bank in May 1976.

Italian borrowers are active in the market. In the first syndi- cated loan it has arranged in over two years, Credito Italiano is lead managing a $26m. five- year loan for Dalmine Spa, a steel company which is con- trolled by Finsider, the State- controlled steel company. Terms include a split spread of 1½ per cent. for the first three years rising to 1¾ per cent. with a three years grace period. The loan is guaranteed by Finsider.

Portuguese airline in economic difficulties

By Jimmy Burns

LISBON, Feb. 22.

TAP, Portugal's state-run air- line, is in serious economic difficulties its president Mr. Monteiro da Silva admitted in an interview published to-day.

As part of a first step by management to reorganise the airline on a more viable economic basis, TAP has opened up three new routes, two to Europe and one to Brazil.

It has been a bad year for TAP, with crippling industrial disputes and its first ever major air disaster at Funchal, Madeira, which shattered an almost impeccable record of airline safety.

The airline has been running at a loss since 1974, when decolonisation affected its African routes, till then a major source of income. Nego- tiations between the airlines and the pilots' union which began last September finally broke down in December, leav- ing thousands of tourists and emigrant workers stranded over Christmas.

The pilots' strike which lasted for a week is estimated to have cost the airline $500,000 a day.

One hundred and thirty people died when a TAP Boeing 727 crashed on Portu- gal's tourist island of Madeira in November. The psycholo- gical and material damage both to tourism on the island and to the airline itself has been severe.

Sharp slide in EBC profits

By Michael Blanden

EUROPEAN Banking Com- pany, the London-based con- sortium banking group, reports a significant drop in its profits for the past year. At the pre- tax level, they were down from £3.16m. to £1.82m. ($3.5m.).

The bank, which is a joint venture of the EBIC group of European banks including the Midland in the U.K., says that profits were affected by a number of adverse factors. All sections of its business were profitable, but the results were hit by lower sterling interest rates, less active foreign exchange markets and the weakness of the U.S. dollar against the pound.

On the other hand, EBC reports, it improved its posi- tion in corporate finance busi- ness and acted as lead manager or co-manager of 31 capital market transactions totalling the equivalent of $1.1bn.

AUSTRALIAN NEWS

Ampol below expectations

BY JAMES FORTH

SYDNEY, Feb. 22.

RESULTS OF Ampol Petroleum for the first four months of the current year indicated that the profit for the February half-year would fail to reach the budgeted expectation, the chairman, Sir Walter Leonard told shareholders at the annual meeting in Sydney to-day. Sir Walter added, how- ever, that the profit would still be higher than for the first half of last year.

The directors felt there were hopeful signs over the last few months that the Australian economy was at last turning the corner.

But the Board considered that the real impact of present poli- cies of containing inflation and attracting investment was un- likely to be felt until late this year or even until 1979.

There were signs that some of the major projects which appeared to be on the verge of realisation four or five years ago would reach the launching pad during the next 12 to 18 months, Sir Walter said.

However, the current depressed world economic situation, parti- cularly the steel industry, would probably defer major sales and consequent production from the large Oaky Creek coal deposit in Queensland, in which Ampol has a stake through R. W. Miller (Holdings) until the 1980s.

* * *

MERCANTILE Mutual Insurance Company, the major insurance group, suffered a 29.5 per cent. drop in pre-tax earnings, from $A5.45m. to $A3.84m. ($US4.37m.), in the December half year. This followed an 8.5 per cent. reduction in gross pre- miums net of reinsurance, from $A43.4m. to $A39.7m. ($US45.2m.). The group was able to declare a 5.1 per cent. increase in net profit, from $A2.5m. to $A2.66m. ($US3.0m.), mainly because of a reduction in tax from $A2.9m. to $A1.18m.

The Board has held the divi- dend at 8 cents a share on capital increased last year by a scrip issue, which represents an effective increase of 12.5 per cent.

* * *

NICHOLAS International, the Aspro medical and pharma- ceutical products group, has in- creased its interim dividend fol- lowing a 20.8 per cent. gain in profit for the December half-year. Earnings for the period rose from $A2.27m. to $A2.74m. (U.S.$3.1m.)

The latest increase continues a three-year recovery by the group. The interim dividend is raised from 3c. to 3.5c. a share. Last year, the directors raised the total payout from 6.5c. to 7c.

Challenge profits tumble

BY DONALD MACLEAN

CHALLENGE Corporation, New Zealand's largest company in terms of turnover, has reported a sharp fall in profits for the first half of the current financial year, which ends on June 30. The corporation is the holding company for a group of com- panies operating in the rural, motors, manufacturing, whole- sale and retail, finance and property sectors.

The company expects profits for the ful year to be "substan- tially down," though it looks for a less steep rate of decline in the second half than that seen in the first.

Group profits after tax in the half-year to December were cut by 46.9 per cent. to $NZ3.2m. (US$3.3m.), from $NZ6m. in the first half of the previous year— with a 10 per cent. increase in gross earnings being insufficient to offset increased costs includ- ing a rise of $NZ3.7m. in interest charges and of $NZ5.4m. in staff and other costs, in spite of a reduction in the number em- ployed. Turnover fell by 2 per cent., to $NZ359.7m. (US$370m.).

On a pre-tax basis, group profit was down by 2.1 per cent., to $NZ3.4m., from $NZ9.1m.

An unchanged interim divi- dend of 5 cents a share is declared, payable from realised capital profits.

Israeli dollar-linked bonds

BY L. DANIEL

TEL AVIV, Feb. 22.

BOND ISSUES linked to the dollar are to be introduced by the Bank of Israel, following months during which the public has eschewed bonds linked 80 per cent. to the cost-of-living index. When first issued, such bonds were 100 per cent. linked, but reductions first to 90 per cent. then to 80 per cent. were made last year.

There will be three new issues: bonds linked fully to the dollar, bearing interest at the rate of 5.5 per cent., payable annually; double-linked ones, offering the investor the choice at the end of a period of six or ten years between full linkage to the dollar and 80 per cent. linkage to the index, with interest of 5 per cent. in either case; and bonds with an 80 per cent. linkage to the cost of living, carrying 7 per cent. interest against 6 per cent. now.

To-morrow, I£100m. of each type will be put up for sale, but trading will start on the Tel Aviv Stock Exchange only in two months' time. In approving the new issues, the Knesset Finance Committee limited the amount which may be issued by the central bank up to March 31 to I£1bn.

Some bankers expressed the fear that the new issues might reduce the flow of money into long-term savings schemes. Other banks welcomed the step since there has of late been a tendency by the public to convert Israeli pounds into foreign currency. (Israelis have been permitted since October 28, when the Israeli pound was floated, to hold $3,000 in foreign currency.)

The new bonds will un- doubtedly appeal to those who do not wish to "lock up" their savings for three-five years in long-term savings schemes, even though these offer grants or cheap mortgages in addition to 100 per cent. linkage to the index.

Expansion at Sabanci

BY METIN MUNIR

ISTANBUL, Feb. 22.

THE SABANCI group of Istanbul, Turkey's second big- gest private venture, will ex- pand the twisting and weaving capacity of its tyre cord plant, Kordsa, from 8,000 tons to 14,000 tons per annum at a cost of $25m., company sources said here.

The Kordsa plant's annual hot-stretching capacity is 14,000 tons. Know-how is being supplied by Goodyear, and Uniroyal is providing technical assistance. The expansion of the plant which is near Istanbul, will start in the spring and is expected to be completed in 18 months.

Turkey's tyre cord require- ment is currently 7,000 tons per annum which will go up to 9,000 tons by the time the expansion is completed. A total of 4,000 tons will be available for export. Turkey is the only country in the Middle East which manu- factures tyre cord.

Kordsa's turnover in 1977 was the equivalent of $30m and will become $50m. this year, accord- ing to the sources.

The Sabanci group says that it reached agreement in principle with Du Pont for knowhow for a nylon yarn production plant. Kordsa's nylon yarn require- ments at present are met by Du Pont and Enka.

Sappi's margins come under pressure

By Richard Rolfe

JOHANNESBURG, Feb. 22.

RESULTS FROM Sappi, the pulp and paper making sub- sidiary of Union Corporation, which is currently engaged in merger talks with Reed Inter- national over disposal of its main interests in South Africa, including the loss making Stanger Pulp and Paper in which CG Smith group holds 50 per cent., show a rise in earnings but a sharp fall in pre-tax margins.

Turnover for the year to December 31 rose from R177m. to R197m. ($226m.) and pre- tax profits slipped from R24.5m. to R22.7m. ($26.1m.) so that margins were down from 13.8 per cent. to 11.5 per cent. But Sappi paid less tax, mainly because of allowances on the group's R35m. expan- sion programme, and earnings attributable to outside share- holders fell by half to R1.6m.

So Sappi's overall earnings picked up from 44 cents to 49 cents and the dividend was maintained at 20 cents.

* * *

REMBRANDT Group Ltd., the tobacco concern, has declared a final dividend of 11.5 cents (10), making 22.5 cents (20) for year ending March 31, reports Reuter from Stellen- bosch.

Bid by Morgan Guaranty

By H. F. Lee

SINGAPORE, Feb. 22.

MORGAN GUARANTY Inter- national Finance Corporation, which owns 47 per cent. of the issued capital of the Singapore merchant bank, Morgan Guaranty and Partners (MGP), intends to acquire all the shares in the merchant bank not already held by it.

The other shareholders in MGP which has an issued capital of S$7.25m. ($US3.1m.) are the Development Bank of Singapore, with 36 per cent., AUC Holdings of Australia, with 10 per cent., and the In- dustrial Bank of Japan, with 7 per cent.

Toa Nenryo record

TOA NENRYO Kogyo KS, the Japanese oil distributor, has announced its 1977 earnings rose 30.7 per cent. to a record Y19.376bn. ($81m.), from Y15.102bn. in 1976, reports AP-DJ from Tokyo.

Sales also reached a record Y617.578bn. ($2.6bn.).

The company forecast its net profit for the current year at about Y20bn. on sales of about Y618bn.

. ECONOMIC INDICATORS

IC ACTIVITY—Indices of industrial production, manu- output, engineering orders, retail sales volume (1970= ail sales value (1971=100); registered unemployment g school leavers) and unfilled vacancies (000s). All y adjusted.

Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unem- ployed	Vacs.
103.3	105.3	111	103.2	216.4	1,330	na
102.0	102.9	104	102.6	222.2	1,330	163
102.5	103.6	108	104.6	234.9	1,418	151
101.5	102.5		104.9	239.6	1,431	157
102.6	103.3	116	105.2	236.7	1,414	154
102.4	103.3	105	103.9	235.7	1,446	145
101.2	102.2	108	103.3	235.3	1,433	153
101.3	101.9		103.8	237.3	1,433	156
102.1	103.3		107.0	246.3	1,428	163
			106.0		1,419	180
					1,409	187

—By market sector: consumer goods, investment goods, iate goods (materials and fuels); engineering output, anufacture, textiles, leather and clothing (1970=100); starts (000s, monthly average).

Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
116.4	99.0	106.2	100.2	83.9	105.1	19.9
113.3	97.9	105.0	98.9	80.4	99.3	22.4
115.2	97.8	104.7	99.2	83.3	101.4	24.4
116.1	97.1	101.2	98.9	74.2	100.1	20.6
115.0	98.0	105.0	99.0	79.0	100.0	22.0
115.0	97.0	105.0	99.0	85.0	102.0	28.2
116.0	97.0	100.0	99.0	75.0	101.0	24.7
115.0	97.0	101.0	99.0	70.0	99.0	21.2
118.0	97.0	102.0	100.0	77.0	101.0	15.9

IAL TRADE—Indices of export and import volume 00); visible balance; current balance; oil balance; terms (1975=100); exchange reserves.

Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
115.7	109.1	−949	−535	−800	99.0	10.5
117.9	109.8	−769	−351	−745	100.3	14.9
124.2	106.4	+ 46	+495	−602	100.9	13.4
117.9	102.7	+ 65	+500	−657	102.7	20.39
125.9	107.5	+ 52	+202	−207	101.6	17.17
119.6	101.4	+ 65	+210	−228	102.1	20.21
115.2	98.5	+ 71	+216	−154	102.7	20.39
118.9	108.1	− 71	+ 74	−275	103.4	20.56
112.7	114.4	−324	−179	−236	105.6	20.87

IAL—Money supply M1 and sterling M3, bank advances g to the private sector (three months' growth at annual mestic credit expansion (£m.); building societies' net HP, new credit; all seasonally adjusted. Minimum ate (end period).

M1 %	M3 %	Bank advances %	DCE £m.	BS inflow	HP lending	MLR %
− 3.6	−10.2	5.3	−1,857	492	335	10½
16.8	15.3	0.8	2,040	1,290	351	8
34.4	14.8	20.2	−473	1,084	393	7
21.1	14.5	6.5	247	1,565	407	7
22.0	9.4	24.0	− 96	302	417	7
34.4	14.8	20.2	122	462	396	6
35.8	17.5	0.0	336	590	382	5
41.5	19.8	2.1	297	554	425	7
21.1	14.5	6.5	107	421	414	7
22.5	15.6	12.8	354	388		6½

ION—Indices of earnings (Jan. 1976=100), basic s and fuels, wholesale prices of manufactured products 00); retail prices and food prices (1974=100); FT ty index (July 1952=100); trade weighted value of (Dec. 1971=100).

Earn- ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
112.5	341.5	248.0	174.1	184.7	276.4	61.8
114.5	347.7	259.2	181.9	191.1	250.0	61.6
116.1	340.5	267.7	184.7	192.1	239.9	61.8
119.9	330.8	272.1	187.4	193.3	234.20	63.3
115.7	338.8	268.1	184.7	191.9	238.9	62.0
116.6	338.1	269.2	185.7	192.5	241.6	62.4
117.9	338.8	271.0	186.5	192.3	236.38	62.5
120.1	329.9	272.0	187.4	192.9	238.34	63.6
121.6	328.7	373.3	188.4	194.8	234.20	63.8
	326.4	276.9	189.5		226.41	66.5

* Not seasonally adjusted.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan Australia 9¼pc 1989	95½	96½
AMEV 8pc 1987	95½	96½
Australia 8½pc 1992	94½	95½
Australian M. & S. 9½pc '92	97½	98½
Barclays Bank 8¾pc 1992	96½	97
Bowater 9½pc 1992	96½	97½
Can. N. Railway 8¾pc 1986	96½	97
Credit National 8¾pc 1986	97½	98
Denmark 8¾pc 1984	99½	100
ECS 9pc 1993	98½	99
ECS 8¾pc 1997	95½	96½
EIB 8¾pc 1992	97½	98½
EMI 9½pc 1989	97½	98½
Ericsson 8¾pc 1989	95½	96½
Esso 8pc 1986 Nov.	100½	101
Gt. Lakes Paper 8¾pc 1984	95½	99½
Hamersley 9½pc 1992	100	100½
Hydro-Quebec 9pc 1992	95½	96
ICI 8¾pc 1987	96	96½
ISE Canada 9½pc 1986	102½	103½
Macmillan Bloedel 9pc 1992	96	96½
Massey Ferguson 9½pc 1991	96½	97½
Michelin 9½pc 1988	101½	102
Midland Int. Fin. 8¾pc 1992	96½	97½
National Coal Bd. 8pc 1987	94	94½
Ntnl. Westminster 9pc 1986	101½	102½
Newfoundland 9pc 1989	99	99½
Norges Kom. Bk. 8¾pc 1992	95½	96
Norpipe 8¾pc 1989	95½	96
Norsk Hydro 8¾pc 1992	95	95½
Oslo 9pc 1988	100½	101
Ports Autonomes 9pc 1991	98½	99
Prov. Quebec 9pc 1993	95½	96
Prov. Saskatch. 8¾pc 1986	99½	100
Reed International 9pc 1987	89½	90½
RHM 9pc 1992	93	93½
Selection Trust 8¾pc 1989	90½	91½
Skand. Enskilda 9pc 1991	98	98½
SKF 8pc 1987	91½	92½
Sweden (K'dom) 8¾pc 1987	95½	96½
United Biscuits 9pc 1989	98½	99
Volvo 8pc 1987 March	92	92½
NOTES		
Australia 7¾pc 1984	94½	95½
Bell Canada 7¾pc 1987	93½	94½
Br. Columbia Hyd 7¾pc '85	93½	94½
Can. Pac. 8¾pc 1984	98½	99½
Dow Chemical 8pc 1986	96½	97½
ECS 7¾pc 1982	95½	96½
ECS 8¾pc 1989	95½	96
EEC 7¾pc 1982	96½	97
EEC 7¾pc 1984	95½	96½
Enso Gutzeit 8¾pc 1984	96	96½
Gotaverken 7¾pc 1982	97½	98½
Kockums 8pc 1983	97½	99½
Michelin 8¾pc 1983	99½	100½
Montreal Urban 8¾pc 1981	100	100½
New Brunswick 8pc 1984	96½	97½
New Bruns. Prov. 8¾pc '83	100½	101½
New Zealand 8¾pc 1986	97½	98½
Nordic Inv. Bank 7¾pc 1984	93½	94½
Norsk Hydro 7¾pc 1982	96½	97
Norway 7¾pc 1982	95½	96½
Ontario Hydro 8pc 1987	94½	95½
Singer 8¾pc 1982	99½	100½
S. of Scot. Elec. 8¾pc '81	99½	100½
Sweden (K'dom) 7¾pc 1982	97	97½
Swedish State Co. 7¾pc '82	96½	97½
Telmex 9½pc 1984	95½	99½
Tenneco 7¾pc 1987 May	92½	93½
Volkswagen 7¾pc 1987	92½	93
STERLING BONDS		
Courtaulds 9½pc 1989	96	98½
ECS 9¾pc 1989	95½	99½
EIB 9¾pc 1988	99½	100½
EIB 9¾pc 1992	97½	98½
Finance for Ind. 9¾pc 1987	98	99½
Fisons 10½pc 1987	100½	101½
INA 10pc 1988	98½	99
Rowntree 10¾pc 1988	98	99½
Sears 10½pc 1988	95½	98
Total Oil 9½pc 1984	95	96½

DM BONDS	Bid	Offer
Austria 6½pc 1985	107	107½
BFCE 7pc 1987	105	105½
Denmark 6½pc 1989	106	108½
EIB 6½pc 1984	105½	106½
Grand Met. 7pc 1984	103½	104½
Hydro-Quebec 6½pc 1987	102½	103½
ICI 6½pc 1987	105½	106½
Montreal 7pc 1987	102½	103½
Norges Gas 7pc 1989	107½	108½
Norsk Hydro 6½pc 1989	105	105½
Norway 5½pc 1982	104	104½
Shell 6½pc 1989	105½	109½
Spain 6½pc 1984	102	102½
Sweden 6½pc 1984	103½	108
World Bank 6½pc 1987	104½	105
FLOATING RATE NOTES		
Bank of Tokyo '84 7 13/16pc	99	99½
BFCE 1984 7pc	98½	99
BNP 1983 7pc	99½	100½
CCF 1985 8pc	99½	100
CGMF 1984 7¾pc	98½	98½
Creditanstalt 1984 7¾pc	99½	99½
Credit Lyonnais 1982 8pc	99½	99½
DG Bank 1982 7 15/16pc	99½	100½
GZB 1981 7¾pc	100½	100½
Intl. Westmnstr '84 7 15/16pc	99½	100½
Lloyds 1983 7¾pc	100½	100½
LTCB 1983 8pc	99½	100
Midland 1982 8pc	101	101½
Midland 1987 7 11/16pc	98½	99½
OKB 1983 7¾pc	99½	100
SNCF 1985 8¾pc	98½	98½
Std. and Chrtrd. '84 7 11/16pc	98½	99½
Wms. and Glyns 1984 7pc	99½	100½
Source: White Weld Securities.		
CONVERTIBLES		
American Express 4¾pc '87	79½	81½
Ashland 5pc 1988	86½	88½
Babcock & Wilcox 6¾pc '97	92½	93½
Beatrice Foods 4¾pc 1992	93½	95½
Beatrice Foods 4¾pc 1992	103	105
Beecham 6¾pc 1992	96	97
Borden 5pc 1992	99	101
Broadway Hale 4¾pc 1987	76	78
Carnation 4pc 1987	75	77
Chevron 5pc 1988	118½	120½
Dart 4¾pc 1987	78½	79½
Eastman Kodak 4½pc 1988	78	80
Economic Labs. 4¾pc 1987	76½	78½
Firestone 5pc 1988	78½	80½
Ford 5pc 1988	81½	83½
General Electric 4¼pc 1987	79	81
Gillette 4¾pc 1987	74½	78½
Gould 5pc 1987	107	109
Gulf and Western 5pc 1988	77½	79½
Harris 5pc 1992	134	136
Honeywell 6pc 1986	83	85
ICI 6¾pc 1992	36	87
INA 6pc 1997	90	91½
Inchcape 6¾pc 1992	107½	101½
ITT 4¾pc 1987	75½	77½
Jusco 6pc 1992	102	103
Komatsu 7¾pc 1990	111½	113
J. Ray McDermott 4¾pc '87	142	144
Matsushita 6½pc 1990	124½	125½
Mitsui 7¾pc 1990	101	103
J. P. Morgan 4¾pc 1987	91	93
Nabisco 5½pc 1988	99	101
Owens Illinois 4¾pc 1987	107	109
J. C. Penney 4¾pc 1987	74	76
Revlon 4¾pc 1987	105½	107½
Reynolds Metals 5pc 1988	81½	83½
Sandvik 6½pc 1988	109	110
Sperry Rand 4¾pc 1987	89	91
Squibb 4¾pc 1987	76½	78½
Texaco 4¾pc 1988	76	78
Toshiba 6½pc 1992	100	101
Union Carbide 4¾pc 1982	90	92
Warner Lambert 4¾pc 1987	78	80
Warner Lambert 4¾pc 1988	73	75
Xerox 5pc 1988	73	75
Source: Kidder, Peabody Securities.		

VONTOBEL EUROBOND INDICES

14.5.76=100%

PRICE INDEX	21.2.78	14.2.78	AVERAGE YIELD	21.2.78	14.2.78
DM Bonds	108.27	108.19	DM Bonds	6.312	6.325
HFL Bonds & Notes	104.48	104.32	HFL Bonds & Notes	7.473	7.508
U.S. $ Strt. Bonds	99.90	100.07	U.S. $ Strt. Bonds	8.702	8.676

European Banking Company Limited

Balance Sheet as at 31st December, 1977

	1977 £	1976 £
ASSETS		
Cash in hand, balances with bankers and money at call and short notice	103,338,107	51,053,414
Bank certificates of deposit and promissory notes	28,362,794	24,299,470
Other deposits with banks	60,755,150	56,739,416
Investments	4,111,801	3,315,307
Loans, advances and other accounts	117,868,017	119,486,831
Assets leased to clients	2,648,416	1,789,251
Fixed assets	936,804	663,567
	£318,021,089	£257,347,256
LIABILITIES		
Current and deposit accounts	293,894,560	235,528,649
Other liabilities	5,986,699	6,464,805
Dividend payable	500,000	500,000
Current taxation	651,755	1,350,986
	301,033,014	243,844,440
Deferred taxation	1,427,424	775,769
SHARE CAPITAL AND RESERVES		
Share capital	12,175,000	10,175,000
Share premium	500,000	
Retained profit	2,885,651	2,552,047
	£318,021,089	£257,347,256

Directors

C. F. Karsten *Chairman*
*F. Hoogendijk *Amsterdam-Rotterdam Bank NV*
S. M. Yassukovich *Managing*
A. Monti
*E. Braggiotti *Banca Commerciale Italiana SpA*
G. N. Schmidt-Chiari
*O. K. Finsterwalder *Creditanstalt-Bankverein*

W. Guth
*M. von Brentano *Deutsche Bank AG*
M. G. Wilcox
*J. Hendley *Midland Bank Limited*
P-E. Janssen
*J. Adant *Société Générale de Banque SA*
*Alternate Directors

M. Vienot
*D. Hua *Société Générale (France)*
P. Jeanty
H. Kippenberger *Banque Européenne de Crédit (BEC)*
I. T. H. Logie *Deputy Managing*
J. C. Chandler *Executive and Secretary*
W. R. Slee *Executive*

Copies of the Report and Accounts 1977, can be obtained from the Registered Office: 150 Leadenhall Street, London EC3V 4PP. Telephone: 01-638 3654. Telex 8811001

Member Banks:

Amsterdam-Rotterdam Bank NV — Banca Commerciale Italiana SpA — Creditanstalt-Bankverein — Deutsche Bank AG — Midland Bank Limited — Société Générale de Banque SA — Société Générale (France)

BUSINESS BOOKS

"Conflict or Co-operation? The Growth of Industrial Democracy" By John Elliott. Kogan Page, £8.95.

Unblushing homily on a key union role

By David Watt

JOURNALISTS should be made to write books more often—and not simply because *journalists* as good as John Elliott ought to contribute to the history of their times (historians never read newspaper cuttings). The important thing is that they should be allowed to come out from time to *time from behind* the discretion of their newspapers and allow their readers to inspect the assumptions upon which their reporting is based.

As Labour Editor, Management Editor and, more recently, *Industrial Editor of the Financial Times*, John Elliott has never been exactly a blushing primrose and the FT audience can hardly have been unaware of his interest in and *ultimately* his support for the idea of worker directors in industry. His coverage of the whole saga of the Bullock Report was without *question the most learned and* alert in Fleet Street. But I doubt whether many of his colleagues, still less his readers, quite realised how deep his conviction *had become that the* majority of the Bullock Commission were on the right track.

Now we know: for his new book is an extended defence not perhaps of every detail of Bullock's algebraic vision of industrial harmony but certainly of its main and most controversial conclusions. Let us, he says, by all means have flexibility and consultation, and a gradual process of implementation, but in the end we must acknowledge a statutory right for employees to set up worker director systems and we must make the trade unions the channels through which this system is *operated.*

Moreover, because the Bullock argument, in his view, is only one part of a grand post-war evolution of labour relations in this country, he covers a much wider area than Bullock and in *effect sums up the les*sons of a decade of labour reporting.

It is an absorbing mixture of history, sociology, rapportage, child's guide and sermon. If you want to know where Uni*lever, or Ford, or GEC have* got to with industrial participation Mr. Elliott will tell you: likewise what has been going on at Fairfields and Harland and *Wolff.* There is a wonderfully concise potted history of Mr. Heath's tragic affair with Messrs. Feather and Gormley and of Mr. Wilson's more suc*cessful* liaison with Jack Jones. The reader learns a lot of the facts of life about the TUC, the shop stewards' movement, the shortcomings of British *management.*

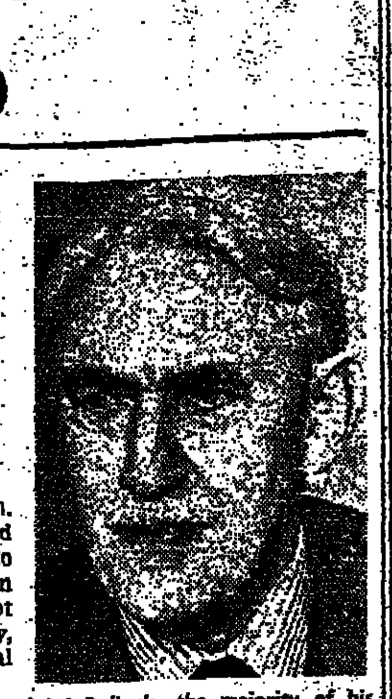
However, the book's purpose *is essentially homiletic*, and the purpose of the homily is to persuade us to see industrial *relations and particularly the* trade unions in a certain light. The Elliott position, very crudely summarised, is as follows: *The long-term trend to*wards greater worker power is inevitable, partly because of external pressures such as the EEC but mainly because of social trends. The social contract and the Bullock Report are *not, therefore, aberrations.* At the very least they are flotsam on the surface of a strong tide of history.

Next, the unions themselves are in business to change society radically and this is ultimately a political business. They are also powerful enough for it now to be "counter-productive to regard them simply as negative forces responsible for the country's economic failures and as threats to individual freedom."

The final *link of the argument* is that a social contract type of incomes policy is here to stay: that all schemes designed to enhance the power of workers, whether *they are management* inspired participation plans or syndicalist work-ins, can be ignored if they do not place conventional union power at the *centre. The conclusion, in* Mr. Elliott's words, is: "a positive and constructive initiative is needed that encourages managements and unions to rearrange *their relationships* but does not try to force alien attitudes rapidly on groups that either do not want to or could not absorb them and benefit from them. The aims should be to expand the workers' rights and to improve shop floor co-operation and participation, while not *impeding managerial* efficiency, and so to increase industrial efficiency."

Hm. Well, we can all agree with the end in view. Many of us, and certainly I myself, can also agree that, things being *what they are*, a moderate social contract is better than no incomes policy. I am much less certain about whether it is wise to institutionalise these *ad hoc* arrangements *either* at national or at factory level on the "if you can't lick them, join them" principle.

With some of his mind Mr. Elliott has reservations of his own. He agrees that there is a serious argument about the rights of individuals to be answered before one bases the operation of worker directors on the unions. He also acknowledges a doubt "as to whether ultimately the unions, with *all* their adversary traditions, will be willing and able to put enough of their conflict on one side to co-operate constructively with management *in* the creation of the wealth of industry." But he is prepared to stifle libertarian scruples and to take the leap in the dark because he thinks that if one could get the unions to accept worker directors, even on their own terms, it would eventually transform their present belief that the interests of workers and managers are fundamentally opposed.



Lord Bullock—the majority of his committee were "on the right track."

This is a brave conclusion. Whether *one* agrees with it depends upon a judgment, not only of the risks and benefits Mr. Elliott points to, but of whether there is any plausible alternative strategy available. Those who believe, unlike Mr. Elliott, that the power of the unions can and should be diminished by social and political attrition over time, may conclude that worker directors are desirable. But because their long-term aims will be very different from his, their worker directors will be subtly different, too.

David Watt, former political editor of the Financial Times, is director of the Royal Institute of International Affairs.

Bribery and extortion

Bribery and Extortion in World Business, by *Professor Neil H.* Jacoby, Peter Nehemkis and Professor Richard Eells. Macmillan Publishing Co. Inc. $12.95

NEVER before have the world's newspaper readers been so much regaled as in the past few years with reports and debate about bribery and corruption in international business.

The recent trial concerning payments made over a Racal military radio contract from Iran, Sir Richard Dobson's incautious remarks about "bribing wogs" and the lukewarm reception of the Shawcross Commission's proposals to curb the *corruption problem* have been a few reminders of the issue.

But these developments nearer home are dwarfed by the deluge of disclosures of "*questionable payments*" made by U.S. companies in response to inquiries by Government agencies following the Watergate affair and its revelations of "*slush funds.*" *The names of* Lockheed, Exxon, Gulf Oil, ITT and United Brands are just some of those which have reported such payments of different kinds.

By May, 1976, when the Securities and Exchange Commission, the U.S. regulatory body for the securities markets, first reported to Congress, 95 U.S. corporations had disclosed "*questionable payments;*" by 1977, this figure had risen to 360. The 34 largest of the original 95 concerns had paid $93.7m. (£48m.) over a few years, which compared with their combined turnover during the relevant period of $679bn. (£366bn.). As the authors of this timely and first full-length *survey of the subject, point out,* this was only 0.014 per cent. of the relevant turnover. A tiny enough statistic, seen in those terms, but no doubt representing considerable wealth to some of the recipients — and, to a number of U.S. Senators, something of a slur on the character of world business.

The authors — all American academics in the business field —adopt *a pragmatic, non-doc*trinaire approach to the problem of corporate pay-offs, kickbacks, and the whole gamut of "sensitive payments" of different *type and terminology which* have become so familiar. They are at pains to attempt to bridge the cultural chasm of comprehension between the *relatively uncorrupt Western* nations with worldwide business interests and many parts of the developing world where pay-offs are endemic, if often illegal.

They do not so much make out a moral case for adoption *of a Western ethic wherever* the trade flag should fly. Rather, they suggest that it would be for the health of all economies that they should eventually, by *slow, practical stages,* do so. A number of proposals are put forward in this context.

In a section which is a kind of young businessman's guide to paying-off those "on the take," the authors sketch those *practices prevalent in different* geographical areas used to smooth a business's path and win it contracts, and the terminology used, including the descriptive "speed money" in India.

New problem

Sketching the background to what for the U.S. is a relatively new problem—U.S. business has become multinational mainly in the last quarter-century, having invested $120bn. (£61bn.) since 1950—the authors are frank in drawing attention to the problems *faced by U.S. businessmen* abroad who are often forced to choose between making questionable payments and exposing their concern to the hazards of *discrimination and harrassment.*

In a passage of great interest to British students of the currently topical issue of supervision of securities markets, the *book tells* how the *SEC invited* disclosure of "questionable" foreign payments—on a basis which the authors subject to sharp scrutiny—while the Internal Revenue Service also asked searching questions. What, one wonders, would be the result of a similar quiz among British companies?

Considering methods of curbing corrupt or "questionable" business payments abroad, the book favours action by governments, international organisa*tions* and, above *all*, by *multi*national companies, who are exhorted to have stricter and better enforced written guidelines. The U.S. Government is urged to be more active in defending U.S. concerns against extortion abroad, and joint international action is also recommended.

The authors appear to discard rather readily the idea of wider *Government insurance* in relation to the risks against the consequences of refusing to make "questionable payments" or bribes. Surely if a U.S. *Government insurance agency* was faced with a claim under such insurance, its arm would be strengthened in protesting in the country in question?

A final question must be: are questionable payments worth while or, putting it another way, will anything be sacrificed, in the way of loss of business to competitors, by a company which discontinues them? "Without doubt, the strong stand taken by the U.S. Government agencies against the making of such payments did sharply curb the practice," say the authors. They also remark *that, while* the SEC thought the cessation of such payments would not seriously affect the ability of U.S. concerns to compete in world business, other *estimates have put the possible* loss of business at 10 per cent.

Undoubtedly the U.S. has staged a stronger stand against bribery in recent years and could prevail further with greater international government and business co-operation. But it is not only up against long-established local practices —but also against a considerable feeling that pay-offs do pay.

Margaret Reid

Public Expenditure: Allocation Between Competing Ends. Edited by Michael Posner. Cambridge University Press. £10.

Public expenditure and the economist

"NINETY-EIGHT per cent. of *the expenditures* are committed. All we do is mess about at the margins."—so said a Permanent Secretary quoted in Hugh Heclo and Aaron *Wildavsky's classic study of the* way public spending decisions are taken within Whitehall, entitled "The Private Government of Public Money." But is *the process of choosing between* different components of expenditure any more than the crude bargaining of a "Turkish bazaar" which is best described by political scientists?

The contribution of economists to the debate about spending options might appear to have become more limited in the last few years *merely* because of the way the decisions have been taken in face of the pressure for sudden and large changes in spending *programmes.*

This clearly affects the approach of economists, while some of the analytic techniques involved in the cost-benefit *approach have been challenged* for example, as a result of the controversy over the third London airport and the Channel Tunnel.

This new book attempts to clarify the contribution of *economic analysis to decisions* on the allocation of expenditure between competing ends. The volume arises from a Royal Economic Society Conference *nearly four* years ago and specifically excludes the problems of financing expenditure and the factors which determine its growth. Instead it concentrates on "how much should be spent on individual services, *how the merits of different pro*grammes may be assessed and what advantages there might be in shifting resources from one line of activity to another."

A number of the 15 papers are fairly technical while others *are somewhat esoteric. Robert* Anderson's analysis of the criminal justice system in economic terms perhaps shows the limitations of the *economists' contribution.* For instance he quotes U.S. work on the dollar loss arising from crimes ranging from robbery to rape, though Mr. Anderson recognises that what are described as "warm-blooded" costs are excluded.

Grounding

But if some of the papers have more theoretical than practical relevance others have a more solid grounding in actual decision-making. After *all, the book includes contribu*tions from two former and the current deputy chief economic advisers to the Treasury, namely, Michael Posner (the editor of the volume), Wynne Godley and Ian Byatt.

In an examination of the directions in which economic analysis might usefully help expenditure decisions, Mr. Byatt argues, for example, that there is immense scope for work aimed at getting a better understanding of the housing and labour markets. More generally, he concludes that public expenditure economics is more far-reaching than cost-benefit analysis.

In his introduction Michael *Posner maintains that it is* never possible for an economist to lay down that, for instance, the riskiness of a particular project should be given some *specified weight, nor that* certain environmental considerations must inevitably be equated with some precise financial measures, nor that the valuation of time in transport studies must have some specified *relationship to earn*ings, nor that the expenditure of a certain percentage of the Arts Council's budget on opera is excessive.

Instead, he suggests that some costs and benefits can be *brought straightforwardly* to the measuring rod of money and translated into resource costs. Moreover other costs not normally expressed in money terms can with ingenuity and care be expressed fairly well in such terms. He cites *the work done* for the Roskill Commission in investigating the private evaluation of noise levels which can go a long way towards producing a rational framework for decision making about airport location.

Mr. Posner concludes that what the economist can do is to ask the question—how much is it worth paying for this par*ticular* benefit which we are incapable ourselves of evaluating? And they can go further than this since they can point out the relative cost of various methods, taking account of everything which can easily be brought to our normal measuring rods, and hence that the country would implicitly be evaluating the extra benefit of one method rather than another at so much in money terms. Then, of course, it is up to the politicians to decide.

Peter Riddell

ɜUSINESS BOOKS

ˈhe U.S. managerial revolution

The Visible Hand: The Managerial Revolution in American Business by Alfred D. Chandler Jr. Harvard University Press, £12.95.

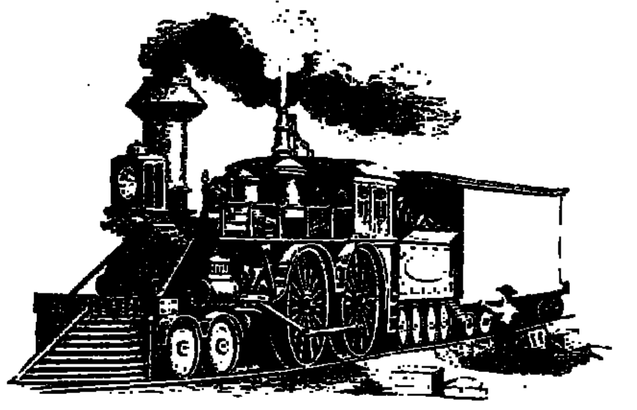
hree decades from the 0s to the outbreak of World War the struc- d management of industry went through und transformation. er became known as ıl capitalism emerged n of a number of large, ıally managed com- · among them Heinz, nd Gamble, Eastman u Pont and General These remarkably dur- ıtions set the pattern velopment of modern, ı industry throughout

rting-point, as Alfred explains in a fascinat- story, was the railway-building boom in the mid-19th century. The railroad companies not only provided efficient, nation-wide distribution. "They were the first business enterprises to build a large internal structure with carefully defined lines of responsibility, authority and communication between the central office, departmental headquarters and field units; and they were the first to develop financial and statistical flows to control and evaluate the work of the many managers." Full-time salaried executives played as important a role as the entrepreneurs or financiers who had invested their capital in the railroad.

Later came the communications companies—American Telephone and Telegraph was formed in 1885—and this completed the infrastructure on which modern industry could be built. New mass-production techniques were being exploited in food, oil, metals, machinery and other sectors; a rapidly expanding population and rising per capita incomes provided ready markets. Because existing marketing channels were inadequate the new entrepreneurs were often obliged to organise their own distribution.

A typical example was Singer. Producing sewing machines in huge volume in one or two large factories, it could not have succeeded without an elaborate marketing organisation. "The managerial hierarchy recruited, trained and carefully supervised the canvasser-collector; provided long-term consumer credit; assured continuing servicing of the machines sold; and finally permitted a smooth and reliable distribution of the 20,000-25,000 machines shipped each week to all parts of the world."

It was this integration of mass production with mass distribution which created the modern industrial enterprise. In the early 1880s Henry John Heinz adopted the new continuous-process methods of canning and bottling and built a network of offices to sell and advertise his many brands; he created a large buying and storing organisation to assure a steady flow of foodstuffs into his factories. Heinz was one of several pioneers which have remained among the strongest companies in their field.



American railroad companies pioneered structured management and introduced clearly defined lines of responsibility.

The followers that came on the scene a few years later were often the result of mergers. For example, Corn Products (now CPC International) was formed in 1906 by a union of several failed companies. The new management "immediately built up the purchasing and sales organisations, moved aggressively into European and other overseas markets, and instituted new policies of packaging, branding, advertising, volume purchasing and scale economies."

Mr. Chandler points out that the Sherman Act, directed against trusts and cartels, had the effect of encouraging mergers; it forced a loose combination of firms either to disband entirely or to form themselves into a single, legally defined enterprise.

Despite the subsequent rise of business schools and management consultants (James McKinsey set up his firm in 1925) the approach to managing large-scale industry which was worked out in the early years of the century has persisted, with little fundamental change, to this day. Chandler notes that only two basic structures have been used. One is the centralised, functional type perfected by General Electric and Du Pont before World War One. The other is the multi-divisional structure adopted by General Motors in the 1920s.

Chandler's theme is that in large sections of industry the invisible hand of the market has been replaced by "administrative co-ordination," carried out by a hierarchy of managers who supervise the flow of goods through purchasing, production and distribution. The market remains the primary force generating demand for goods and services, but "a new sub-species of economic man, the salaried manager," has assumed a commanding position in the economy. For anyone who wants to understand the origins and significance of the managerial revolution, Chandler's book is essential reading.

Geoff Owen

Pressure on banks

Bank Holding Companies and the Public Interest by Michael A. Jessee and Steven A. Seelig. Lexington Books, £12.

THE BRITISH banks are facing an intensive examination of their activities from a number of different directions. For the first time, legislation is being planned on the basis of the 1976 White Paper to set up a system of licensing for deposit-taking institutions in the U.K., and it has provoked a continuing argument over the form in which the proposed deposit protection fund should take.

The Wilson Committee is looking at the workings of the City and at the mechanism through which money is channelled from the saver to industry. The Price Commission is expected to produce fairly shortly the results of its examination of bank charges, and this will extend to a wider consideration of the profits of the banking industry.

Bankers have at times shown some impatience over the demands made for increased disclosure of the details of their operations, and have firmly resisted those which they regard as trespassing on the traditional confidentiality given to their dealings with customers. Nevertheless, they have seen in the various investigations now being carried out an opportunity to put forward their own point of view in a form which they hope will be reflected in the final assessment of the structure of the financial industry.

They have also begun to recognise that the pressure from outside interests may have a useful side effect in stimulating their own thinking about the future development of their business. This could turn out to be the most important justification for the public curiosity about the nature of the banking business which is likely to be a continuing feature of the lives of bankers in the U.K.

In comparison with their American counterparts however, the British banks have little to worry about. The background is considerably different, it is true; the U.K. banking system is heavily concentrated among the Big Four and a few others while in the U.S. there remains a very large number of small local banks. Moreover, the exercise of supervision over the banking system in London is very much in the hands of one authority, the Bank of England, whose position will be confirmed when the new legislation goes through, whereas the U.S. banks have to deal with several regulatory authorities at state and federal level.

The contrast lies more, though, in the general attitude towards banking. The classical U.S. suspicion of excess size in industry and commerce, identified in the anti-trust legislation, is, in the case of banks, combined with an historic public distrust of finance and of men who make money from money. U.S. bankers have grown accustomed over many years to having to deal with regular intervention in their activities by the legislators.

Regulation

The sheer volume of the regulation involved is made plain in the first part of this book in which the authors, writing specifically in relation to the development of the holding company movement in the U.S., painstakingly go through the legislation affecting the banks, describing the attitudes of Congress and the Senate and examining the approach which has been adopted by the regulatory authorities over a period of time.

The holding company movement in the States has taken two rather different forms: the creation of the one-bank holding company mainly as a vehicle to permit diversification into other related areas of financial services; and the development of holding companies, including a number of banks, which provides one way of partially overcoming restrictive regulations on branching and interstate banking.

Its rapid development in recent years has represented a major change in the U.S. financial sector, with important implications for public policy. It has taken place, however, under the constant scrutiny of the authorities, who have exercised care to ensure that the movement should not go forward unless it could be seen to produce public benefits and have been quite prepared to stop proposed mergers or acquisitions. After 1974, indeed, with the general financial downturn, the authorities deliberately introduced a slowdown in the process and became much more concerned with the potential financial implications of holding company expansion.

On balance, the authors of the book conclude, the expansion has been to the benefit of the general public, though they see a need for closer supervision of the non-banking and parent companies of the holding company organisations. For a non-American audience, it requires some patience to follow through their arguments over the details of legislation which is mainly unfamiliar on this side of the Atlantic. But for those prepared to work through the book, it provides an interesting insight into the workings of U.S. regulations and helps to explain why American bankers seem to enjoy the less formal atmosphere of London.

Michael Blanden

Book round-up

The Complete Book of International Investing by Rainer Esslen. McGraw-Hill, $20. This is very much a guide to the structures of the various investment markets round the world rather than a theoretical textbook on investment. It looks at the investment scene in 23 countries, describing the stock and bond markets, the most actively traded securities, new issues, portfolio managers, banks, brokers, investment funds, investment research and the financial press.

No-Nonsense Management—A General Manager's Primer by Richard S. Sloma. Collier Macmillan, £5.95. The author believes that the most effective way to convince people of your abilities is to demonstrate them, and he then proceeds to describe 70 principles by which managers can become identified with high levels of performance.

Britain's Economic Problems: Too Few Producers by Robert Bacon and Walter Eltis. Macmillan, £7.95 and £2.95 (soft cover). This book comprises a reprint of articles published in the Sunday Times in 1975. The articles have been extended and developed and describe the effects of a growing shift of Britain's resources from production of goods and services which can be marketed at home and overseas to the provision of unmarketable public services.

Benn's Press Directory 1978, Benn Publications, £25 for two volumes. This is the 126th edition of this directory which, for the first time, has been produced in two volumes. The first covers the Press and all other aspects of the U.K. communications industry; the second the Press and central sources of information and media outlets for 188 overseas countries.

The Health and Safety at Work Act in Practice by Alison Broadhurst. Heyden and Son, £5.95. With experience as a barrister and factory inspector, the author sets out to provide a guide for all those who should be aware of the importance and significance of this legislation, including individual managers, the self-employed, employers and employees, professional and employers' associations and trade unions.

A Manager's Guide to Self-Development by Mike Pedler, John Burgoyne and Tom Boydell. McGraw-Hill, £5.95. This does not set out to tell the reader about self-development, but rather is a self-development programme. It is in two parts, the first of which outlines the philosophy and methods of the book and the second which consists of 39 sections containing practical exercises aimed at developing a manager's qualities in eleven key areas.

THE JOBS COLUMN

Marketing managers • Code

BY MICHAEL DIXON

DENIS HOWELL has aptly justified my praise a fortnight ago of his weather wizardry. Cut off on the Dorset coast with nothing to record except a new children's sport of snow-balling seagulls, the Jobs Column seemed to have little prospect of appearing this week. Then in flew Mr. Howell to turn snow into flood, meanwhile releasing the column in time for a shortened version.

Among the potential beneficiaries are a matched pair of marketing managers wanted in the Midlands by Salter Industrial Measurement. A family-owned concern for two centuries, the £13m.-turnover Salter group was taken over a year ago and much reorganised by Staveley Industries.

In particular Stuart Banks, new managing director of the industrial measurement company—whose products range from hand held spring balances to thundering great weigh-bridges—has opted for a divisional organisation, which has created the two openings.

One is in the crane-weighing division, with responsibility to general manager Randall Thomas. The other is in the platform-weighing division, reporting to general manager Peter Holmes.

Each of the newcomers will be in charge of the respective division's marketing activities, which are at present conducted mainly through distributors and sales dealers.

Market needs, budgets, and prices will have to be reviewed not only for existing products, but also for the swift launching of new ranges. Starting with about six sales staff each, the recruits will need to develop and manage their own marketing teams.

Eileen Stroud of Executive Preselectors, who is dealing with these appointments, says an essential qualification is experience of selling to industry.

"We want knowledge across the range of professional marketing as well—advertising, research, and so forth. And since they'll need to work with electrical and mechanical engineers some relevant technical understanding would be desirable. They'll need enough financial knowledge to work from the profits standpoint, too.

Both posts will be based in West Bromwich. The age range is quoted as 25 to 35. The salaries are not quoted, but my own estimate would be a range from about £6,000 at the younger end to £8,000 or thereabouts for a more experienced candidate. Perks include a car.

Inquiries to Eileen Stroud at Executive Preselectors, 5A Symons Street, Sloane Square, London SW3 2TJ, or by telephone to 01-730 9456.

Progress

THE MANY readers still sending comments about the proposed code of good recruiting practice which—as I reported on January 5—has been taken up by the Institute of Personnel Management, are now pressing for news of what is to happen next.

The answer is that the institute is this month setting out its version of the code for the benefit of any of its members who are not enlightened enough to read the Jobs Column but who nevertheless might have constructive suggestions to make. Then, around the middle of March, there will be a meeting at the IPM to work out a final draft of the code with a view to introducing it formally to the waiting world at the institute's annual conference in October.

Next month's meeting will include me, and I shall take to it a digest of the suggested amendments and additions sent in by readers—for which, many thanks.

The latest suggestion to arrive, by the way, comes from the Employment Service Agency arm of the Manpower Services Commission, in the person of Sidney Tolson, the ESA's director of rehabilitation and resettlement.

He wants the recruiters' side of the code to include the guarantee that: "All candidates will be fully and fairly considered for all vacancies on merit only, without regard to age, sex, race, colour, nationality, ethnic or national origins, culture and irrelevant disabilities."

While totally in agreement with Mr. Tolson's intentions I feel that his proposed addition is too sweeping to be accepted by recruiters as a basic rule of practice.

For one thing, while in most jobs candidates' merit is absolutely unaffected by their age, sex, race and so on, there are some posts in which such factors are critical to successful work.

For another, I wonder whether Mr. Tolson would see "irrelevant disabilities" as extending to the lack of formal educational qualifications such as two GCE Advanced-levels or a degree, which are often stated as conditions for selection even though they have no relevance to the work involved in the job. In such cases, anyone who lacked the academic ability to gain the educational certificate would surely be suffering from an irrelevant disability.

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NTRAL ACCOUNTING Reference 28/FT

A small team is responsible for the financial information to the top management of the Corporation. This includes periodic reporting, budgeting and longer term forecasting and involves close liaison with financial monitoring of projects and joint ventures. High levels of analytical and presentation skills will be expected.

PLORATION AND PRODUCTION OPERATIONS References 45FT/48FT

Senior Project Control accountants are responsible for the interpretation and development of reports on a wide range of operations. It includes effective causal analysis. There is also a vacancy in this section at a slightly less senior level, emphasising financial planning but with considerable involvement in overall management accounting.

Applicants will be qualified accountants with a minimum of one year's post qualification experience except where relevant oil industry experience can be demonstrated.

FINANCIAL ACCOUNTANT Reference 6/FT

This post reports directly to the Manager of Accounting Development on matters of accounting policy and reporting systems, internal and external. The successful applicant will be qualified with about two years relevant post-qualification experience especially in the latest accounting standards, preferably with a large professional practice or the head office of a major concern.

The salaries for these posts are very competitive and associated conditions of employment are attractive. There is a comprehensive relocation plan. Interested candidates are asked to write or telephone, quoting the appropriate reference, for an application form to:—
The Recruitment Manager, The British National Oil Corporation, 150 St. Vincent Street, Glasgow G2 5LJ. Tel: 041-221 1261.

BNOC

Administration Opportunity

Leading Accepting House

Age: 30-45 Salary: £5,000–£7,000

Our Client is a leading accepting house with extensive North American business. They wish to recruit an experienced banker to take over full responsibility for the administrative function of the bank's North American interests and the maintenance of liaison with its representative offices in the United States.

Applicants must be able to demonstrate a thorough working knowledge of banking practice and procedures which should have been acquired with a leading U.K. bank or the London branch of an American bank.

An initial salary range of £5,000 to £7,000 is offered as part of an excellent package which also includes house mortgage facilities, non-contributory pension and free life assurance.

Please write giving full details of age, education and business experience, and listing those organisations to whom your letter should not be forwarded, to:

J. D. Vine, Account Director (Ref. AO/107),
Lockyer Bradshaw & Wilson Limited,
North West House, 119/127 Marylebone Road, London NW1 5PU.

LBW
LOCKYER, BRADSHAW & WILSON LIMITED

Financial Controller (Designate)

London **About £9,000+car**

Our client is a world leader in "leisure wear" with 1977 sales of $1.6 billion. The company has successfully developed from a "family business" base and still retains that kind of close involvement and atmosphere.

The position is based in London within the Northern European Area H.Q. which controls the company's operations in the U.K. and Scandinavia. Reporting to the Controller the prime responsibilities include: profit planning, pricing, analysis, management reporting, capital expenditure appraisal, exchange rate analysis and ad hoc work. An integral part of the job will be field visits to the manufacturing and marketing units, thereby gaining a close operational view of the business. For the right person, promotion to Controller will follow in 12-18 months.

To apply you should be qualified, between 27 and 32 with line experience in a multi-national company. Equally, you must be able to demonstrate a high level of ability in both technical and management skills.

The salary indicated is negotiable and will not present a problem for the ideal candidate. Therefore we would be interested in applications from candidates who are already in Controllership positions.

Benefits include a 2-litre car, BUPA and full relocation expenses where necessary.

Applicants, male or female, should apply in strictest confidence with career details to: M Warner, Director, Gresham Executive Appointments, 1 Harewood Place, Hanover Square, London W1R 9HA. Tel: 01-629 9841/4

Gresham Executive Appointments

Computers in banking Europe

Our client is a major computer systems manufacturer. Success in a highly competitive market has created opportunities for self motivated individuals who understand the application of computers in the Banking world.

Your job will be the complete specification, in collaboration with users in mainland Europe, of software systems covering one or more banking functions. With responsibility for program quality and system introduction you will be given the challenge of full control of the system.

You will either have been in systems analysis with solid experience of banking applications, or you will be a banker who has had significant involvement in the introduction of computer systems.

You are probably in your early to mid thirties, and have reached the stage where nothing less than a project of your own will satisfy you.

The remuneration package is excellent, with a first class UK base salary, and generous expatriate allowances. Fluency in a second European language will obviously be a great advantage.

The job will not last for ever, but prospects for promotion and career development are second to none.

If you react to a challenge, phone David Woolf on 01-638 0528 or write to him at Personnel People, Friendly House, 21-24 Chiswell Street, London EC1Y 4UB.

The Personnel People

Assistant Managing Director/Managing Director Designate

Remploy

Salary range: £8,600–£12,038 (subject to review)

Remploy seeks a Managing Director to replace the present one who is due to retire from Remploy in September, 1978.

The Company is Government-owned and has about 10,300 employees, including around 8,000 who are severely disabled. It handles about 60% of sheltered employment in the United Kingdom in 87 factories from Aberdeen to Redruth. The Company's annual turnover in competitive conditions amounts to about £26 million. The head office is at Cricklewood, London.

The Managing Director is appointed by the Secretary of State for Employment, and reports through a non-executive chairman to a board which numbers fifteen, seven of which are executive, and eight of which are non-executive.

Remploy's objective is to act as a social service employing severely disabled people in suitable conditions as near as possible to ordinary industry. The products include: furniture, orthopaedic equipment and wheel chairs, travel goods, knitwear, outer clothing, bookbinding, and extensive services in packaging and assembly. They are grouped under three Trading Group Directors.

There is a newly revised contributory Pension and Life Assurance Scheme, and a car with a chauffeur, together with 25 days annual leave, are included in the benefits of the appointment.

It is intended to appoint the successful applicant immediately to the post of Assistant Managing Director (salary range £8,600–£10,583) and subsequently to Managing Director (salary range £10,038–£12,038) in September, 1978.

Applicants should have held senior appointments in industry, preferably concerned with products similar to those of Remploy.

Please write, marking envelope "M.D." in strict confidence to: The Chairman, Remploy Ltd., 415 Edgware Road, Cricklewood, London, NW2 6LR enclosing a photograph, a description of your qualifications for the appointment, and a request for a personal data form.

Plant Director

£12,000

...ant is part of a major Midlands based ...any which would make no secret of ...t difficulties. The Company is now ...ed in an ambitious and aggressively ...ged reconstruction programme, and ...ppointment is one of a number which ... key to its success.

...ant employs over 3,000 people and ...stable and constructive Industrial ...ons climate. There is a broad product ...mainly volume machining and ...ibly. Primarily it supplies other plants ...Company but there is a significant ...eveloping non-Company content.

...ppointment will be of particular ...st to candidates from an ...eering/production discipline, with extensive volume manufacturing experience rounded by significant involvement with the finance/marketing functions. They will almost certainly be earning over £10,000 p.a. and will be of the calibre to exploit the considerable career development opportunities which exist beyond this position.

Ref: S3648/FT

REPLIES will be forwarded, direct, unopened and in strict confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

...yde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

A member of PA International

Entrepreneur

c. £10,000 plus car and profit share

Profitable company with sales c£30m growing by more than 30% per annum; purchasing, processing and selling hides and skins; young management team. The Entrepreneur reports to the Managing Director and after an introductory period in Processing and in Marketing will assume responsibility for sales and commercial projects. Formal qualification or public school education essential, but a key requirement is a successful record of profit management in a fast moving commodity or consumer field ideally involving forward purchasing and sales in foreign currency markets. Preferred age range 30 to 35. Excellent prospects.

This appointment is open to men and women. Please write in confidence to Philip Egerton, quoting reference 3674/FT.

Inbucon/AIC
Executive Selection
197 Knightsbridge, London SW7 1RN

A CAREER IN BANKING

A.C.A. 24-28

City **c £8,500 incl. benefits**

Our client, the merchant banking subsidiary of a major American Bank in the Euro-currency, financial and capital markets, now wishes to recruit an Operations Accountant to run the accounting and reporting areas within this progressive banking environment.

The successful applicant will initially be operating the accounting function and will also become involved with a variety of projects including corporate planning and the computerisation of the total accounting and reporting systems. The prospects for the right person will arise once ability has been proven and could lead through to such areas as Corporate Finance.

Applicants, male or female, will be recently qualified accountants able to demonstrate a strong personality and an ability to communicate effectively, together with proven ability within a professional or commercial environment.

For more detailed information concerning this appointment and a personal history form, please contact Ian Tomisson quoting reference 2100

Douglas Llambias Associates Ltd.,
410 Strand, London WC2R 0NS. Telephone 01-836 9501.
121 St. Vincent Street, Glasgow G2 5HW. Telephone 041-226 3101.
and in Edinburgh.

DLA

EQUITY ANALYST

Within an established firm of Stockbrokers we operate a small team where our equity sales staff and analysts work together to service a wide range of institutional clients. Recognised as specialists in two major areas and a number of subsectors, we now wish to add another sector specialist or an experienced analyst with wider interests. The ability to originate investment ideas and communicate them to clients both verbally and in writing is essential: this is a senior appointment and remuneration will be scaled accordingly.

Please write giving personal history to Box A.6275, Financial Times, 10, Cannon Street, EC4P 4BY, with a covering letter listing firms to which you would not wish your reply to be forwarded.

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

ACCOUNTS/OPERATIONS £6,000+

Due to internal promotion the position of Assistant Accountant is vacant at the London branch of a European bank. Candidates should be aged 25-30, with international bank operations experience including departmental audits, Foreign Exchange valuations and general accounting duties. Salary is negotiable, and the figure quoted can be regarded as a minimum.

Contact: Richard J. Meredith

GROUP AUDITOR c. £6,000

An international bank seeks an experienced Auditor aged about 40. Candidates should have banking experience, and preferably also an understanding of computerised systems.

Contact: Sophie Clegg

CREDIT ANALYST c. £5,000

This opening, with an international bank, would suit a young person aged early to mid-twenties with some experience of spreading balance sheets and the ability to write facility letters. Some knowledge of E.C.G.D. regulations would also be useful.

Contact: Sophie Clegg

YOUNG BANKER to £4,000

A well-known bank seeks a young general banker who, having qualified A.I.B., now finds his/her prospects retarded by an age barrier. The successful applicant should have good all-round knowledge of banking, including Foreign Exchange and/or Stock Exchange Securities. The position is in the bank's audit team, where a certain about of audit experience would be useful.

Contact: Richard J. Meredith

170 Bishopsgate London EC2M 4LX 01-623 1266/7/8/9

C&L

W. London £9,500 + car

FINANCIAL CONTROLLER

The Group Providing a wide range of specialist services to the aircraft industry, both at home and overseas. Soundly based, well organised and highly regarded. A subsidiary of a U.K. quoted international group.

The Job Reporting to the Managing Director with responsibility for the finance and accounting functions. Small H.Q. accounting staff. Key areas are the interpretation of management information, inventory control, cash management and the further development of reporting systems.

The Candidate Qualified accountant. Aged from 30. Experience in an engineering environment and knowledge of data processing systems would be particularly helpful.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to:

J. G. Cameron, The Executive Selection Division – CF306.
Coopers & Lybrand Associates Ltd., Management Consultants,
Shelley House, Noble Street, London, EC2V 7DQ.

Financial Management

A senior role for a finance professional with Digital

Digital Equipment are the world's leading designers and manufacturers of mini-computers, a company with a turnover in the UK in excess of £50 million and growing, and employing 1,200 people there and over 38,000 people worldwide.

We are a progressive, fast moving company whose growth in Northern Europe has been enhanced by a highly professional, young financial management team at our North European Headquarters in Reading.

As part of our continuing expansion we now wish to further strengthen that team by appointing an experienced and imaginative senior finance man or woman to control the entire spectrum of finance work undertaken in Reading.

As our Manager of Accounting and Management Reporting, yours will be a high level role in one of the most exciting, successful and rapidly expanding companies in the computer industry. Reporting to the Regional Finance and Administration Manager for Northern Europe, you will control all day-to-day activities of the UK financial Management team, encompassing Financial Accounting, Management Information and Planning and Analysis. Directly responsible to you will be our Chief Accounting, Managemant Accountant and Planning and Analysis Manager plus a team of some 35-40 people—most of them fully qualified professionals.

Clearly, this will be a demanding role. It will call for someone with sufficient drive, energy and imagination to motivate the management team and ensure that they maintain their record of meeting tight deadlines to high standards of professionalism. You should be prepared to travel extensively to Europe and provide an effective link with our office in Geneva.

We anticipate that you will be a qualified ACA, ACCA or ACMA, probably someone who has already earned a controlling, or a similarly influential, role within an industrial or sales-service environment, preferably within the computer industry.

The seniority of this position is fully reflected in the attractive salary we offer. Prospects within such a rapidly growing company are excellent and include the possibility of promotion both in Europe and the USA.

If you can meet this challenge write to:- Ken Rayner, Regional Finance Manager, Digital Equipment Co. Ltd., 2 Cheapside, Reading, quoting reference 365.

digital

Manager – Accounts Shipping

Our client, a shipping company, seeks a manager for its London Office. Candidates, male or female should have an accounting qualification and should have some years experience in accounting, bookkeeping and office procedures. A new position, the main duties include preparation of financial accounts, preparation of service contracts, handling insurance matters, cash management, budgeting and routine ship management. A knowledge of taxation, economics and shipping would be desirable. Preferred age range 25-30, salary negotiable with experience.

Write with brief details to:
John Sears, Cripps, Sears & Associates,
Burne House, 88/89, High Holborn, London, W.C.1. Tel: 01-404 5701
Quoting reference No. 4646

Cripps, Sears

RW

Treasury Accountant

London W1 **c. £6,000 + benefits**

Our client is a large U.K. manufacturing group with substantial overseas interests. This vacancy will appeal to a young qualified accountant who wishes to acquire experience and training in all aspects of cash management and exchange control procedures. He/she will assist the Group Treasurer in the optimum utilisation of the group's cash resources involving negotiations for future cash requirements in the U.K. and overseas and the appraisal of investments and potential acquisitions. In addition to providing an advisory service to the Group in connection with foreign exchange, the appointee will gain exposure to financial modelling with use of computer link. The Group offers good career prospects, subsidised lunches, free BUPA cover and generous staff discounts.

Applications to Miss Marion Williams

Reginald Welsh & Partners Limited.
Accountancy & Executive Recruitment Consultants
123/4 Newgate Street, London EC1A 7AA Tel 01-600 8357

SENIOR CREDIT MANAGER

Due to expansion of their international banking activities, Wells Fargo Limited is seeking a Senior Credit Manager who is experienced in credit and marketing in European countries. He or she will probably be in their thirties with a good relevant degree and will be fluent in at least one other European language. The successful applicant will have had considerable credit experience at all levels and will be able to communicate effectively with senior management of European companies and banks. The salary, which will be in five figures, will be commensurate with qualifications and experience. The position is based in London; the usual fringe benefits will be provided.

Please write with full details to the Personnel Manager,
Wells Fargo Limited, Winchester House, 80 London Wall, London EC2M 5ND.

Wells Fargo Limited

EUROPEAN RESEARCH/SALES
To £8,000 + Bonus
25-32 with good knowledge of European markets to join International Dept. of top firm and market own research to U.K. institutions.

U.S. PORTFOLIO MANAGEMENT
To £7,000 + Benefits
25-30 with research background and relevant market knowledge to join Investment Dept. of major institution.

Stephens Selection
35 Dover Street, London W1X 3RA.
01-493 0617
Recruitment Consultants

CHIEF ACCOUNTANT

SMALL PUBLIC GROUP REQUIRE DEDICATED CHIEF ACCOUNTANT AGE 25-35, £8,000 P.A. + BENEFITS

Free to start in London by May at the latest
Write Box A.6278.
Financial Times,
10, Cannon Street, EC4P 4BY.

ACCOUNTS CLERK
£4,000 for International Bank with thorough knowledge of profit and loss A/cs, preparation of balance sheets, etc.

CHARGE SECURITIES CLERK
£4,000, age 21-22 for City Merchant Bank. 6-12 months experience.

CREDIT ANALYST
c. £6,500 for International City Bank no. 2 for economical section.

Ring V.P.N. Employment (Agy.) 01-283 6022 for Appointments

Internal Audit

c. £6,500 + Car
Based Central London

The Rank Organisation is establishing a Group Internal Audit Department, whose role will be to create and operate audit procedures where required. Additionally, existing divisional audit systems already in place in some larger units will be monitored through liaison with audit staff in the appropriate divisions.

The audit team will cover all the organisation's film, leisure and manufacturing activities, as well as the key Head Office functions.

Applications are invited from energetic and self-motivating accountants, male or female, preferably qualified, who can demonstrate auditing experience either professionally, or with a large industrial company.

Salary, together with other benefits normally associated with a company of this size, including a company car, will reflect the importance of this position.

To apply, please send brief details of your qualifications and experience, to:
Central Services Personnel Manager,
The Rank Organisation Limited,
439/445 Godstone Road,
Whyteleafe,
Surrey, CR3 0YG.

THE RANK ORGANISATION

INVESTMENT ANALYST

A leading firm of stockbrokers wishes to recruit an experienced analyst to carry out specific research projects, mainly into small and medium sized companies. The work will be required mainly for use by the Firm's institutional department, but will also include some involvement in corporate finance situations.

The successful candidate will possess either a professional qualification or a degree and will have had previous experience of financial analysis either in a financial institution or in industry. He/she must be able to establish personal relationships at Board level in the companies under research.

Remuneration will be competitive and the appointment offers an opportunity to commence a progressive career in an ambitious and profitable business.

Applications will be forwarded direct to our clients, and you should indicate in a covering letter any firms to whom you do not wish to apply. Please apply in writing quoting reference 914, giving particulars of career, in confidence to:

W. L. Tait
Touche Ross & Co.
Management Consultants
4 London Wall Buildings
London EC2M 5UJ

Company Secretary

Guinness Peat Group Limited

The Company Secretary of this well known organisation is planning to retire towards the end of this year and a successor is now being sought.

Apart from the statutory duties associated with a public company of this standing, the secretary carries major administrative responsibilities both in respect of the group head office in the City of London and in support of subsidiary companies operating in a diverse range of trading and manufacturing activities throughout the world.

We should be pleased to discuss this exceptional opportunity with professionally qualified candidates, aged about 40, whose experience has shown a bias towards the administrative and legal, as opposed to the financial aspects of the secretary's role and who now feel that they have reached a point in their career from which they can confidently take on an appointment of this magnitude.

Applications should be addressed in the first instance to *Charles Barker-Coulthard Ltd., quoting reference 432/4/FT.*

Charles Barker-Coulthard
30 Farringdon Street, London EC4A 4EA.
Telephone 01-236 0526

Group Financial Control

£7,500+car-W. London

Financial control in this multi million pound group is wholly comprehensive and disciplined and, through the personal efforts of the Financial Controller, highly motivated. He is now looking for an assistant with similar motivation, to be exposed immediately to the complex problems that occur at the centre of an active, performance-oriented, profit-conscious operation. A young live-wire accountant who has shaken off the blinkers and already has some commercial or industrial exposure will see this as the perfect launching pad for meteoric progress. Ability is far more important than age or experience (particularly of the one year ten times variety): there's as much work and as much responsibility available as you're prepared to handle – in financial and management accounting and treasury matters. There's extensive travel within the UK and we need someone who can make the centre fully acceptable at the sharp end. Unique is an over used word, but may well be the mot juste for this young and ambitious accountant. Please write with full career details to Graham Oliver.

Applications, which may be from male or female candidates, will be treated in complete confidence and should quote reference 832/GEGO.

BROOK STREET EXECUTIVE RESOURCES LIMITED
47 Davies Street, London W1Y 2LN. Telephone 01-499 7382

Senior Banker

Bank of America is expanding its Financial Services function in London and wishes to appoint a Vice President to provide aggressive leadership for the group specialising in the financial institutions sector. Key accountabilities will include administering and developing the loan portfolio; marketing bank-wide financial services; maintaining and enhancing working relationships with the City and the Government.

Applicants should be U.K. nationals who have already attained a senior position with a major bank or related organisation and can demonstrate a thorough knowledge of the banking needs of insurance companies, pension funds, stockbrokers and the discount and acceptance markets. They will also be familiar with the inter-relationships between the Government, banks and other financial institutions.

Salary will reflect the senior nature of this appointment. Other benefits are in line with best banking practice and include a company car, favourable loan facilities and a non-contributory pension scheme.

Applications containing full career details, which will be treated in confidence, should be sent to: Assistant Vice President – Recruitment, Bank of America NT & SA, 25 Cannon Street, London EC4P 4HN.

BANK OF AMERICA

Manufacturing Director -Europe

£15,000-£18,000 p.a. plus

This top flight appointment is for an international company operating a large number of chemical plants throughout Europe. Applications are sought from candidates who can show successful experience in managing geographically dispersed activities. Candidates, aged 35-50, should be qualified engineers with significant manufacturing senior management experience in the petro-chemical, chemical or power industries. International experience is highly desirable and fluency in French or German would be an advantage.

The post is based in a pleasant location close to London and substantial relocation assistance is available. For the right candidate the total compensation package is negotiable and our client will welcome applications from candidates who have carried wide-ranging management responsibilities in addition to manufacturing.

Please write, with relevant, concise details of career history and current earnings to J. W. C. Bull at Bull, Holmes (Management) Limited, 45 Albemarle Street, London W1X 3FE, quoting ref. 474. Our client guarantees applications will be treated in strict confidence.

Bull Holmes
PERSONNEL ADVISERS

OPPORTUNITIES FOR NEWLY QUALIFIED ACCOUNTANTS ON MARCH 9 1978

The Financial Times proposes to publish, within its regular Thursday Appointments columns, on March 9 1978, a section headed "Newly Qualified Accountancy Appointments." This section is timed to appear following the results of the Finals, when several thousand newly qualified accountants will be in search of career opportunities. For full details of advertising in this section contact: James Jarratt on 01 248 8000. Ext. 539.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

CJ RECRUITMENT ADVERTISING

35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

SENIOR BANKER
NEW BUSINESS DEVELOPMENT £12,500+

INTERNATIONAL CONSORTIUM BANK

...lications are invited from candidates with several years' banking experience involving East and West Europe and/or ...tral and South America. Working with a compact and highly capable team, the successful candidate will be directly ...lved in the origination, structuring and syndication of loans. He/she will be a self-starter and have the experience ... capability to represent the bank effectively in new business development. Ability to speak Spanish and one other ...opean language an advantage. Attractive salary, potential for a performance-related bonus and comprehensive fringe ...efits. Applications in strict confidence under reference SB10026/FT will be forwarded unopened to our Client, unless ... list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager:

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH.

ACCOUNTANT

A young accountant is offered an exceptional opportunity to join the management team of a Mayfair club. Not necessarily qualified; hotel or catering background most useful. Full responsibility for accounting functions.

Salary by arrangement

To discuss telephone
Trevor Brown
on
01-493 7121

Senior F/X Dealer

European Banking Company

Our Client is a prominent and expanding International Merchant Bank of impeccable parentage.

The bank's current requirement is for a Spot Swiss Franc dealer, ideally aged 25-28 years, to play a positive part in its active dealing room.

Candidates will possess a thorough dealing background with the emphasis on spot foreign exchange, and the personal qualities to contribute effectively in a close-knit team.

The scope of this position will be matched by a highly competitive salary and attractive fringe benefits.

Contact Norman Philpot in confidence on 01-248 3812.

NPA Recruitment Services Ltd
60 Cheapside London EC2 Telephone 01-248 3812/3/4/5

Financial Controller
ZAMBIA
Excellent salary + benefits + gratuity

...ining Development Corporation ...ECO) is one of the direct subsidiary ...mies of the Zambia Industrial and ... Corporation (ZIMCO). Its role in ...tional economy includes mineral ...cting and exploration, development ... mineral deposits and promotion of ...ines throughout the country, in ...on to the current exploitation of coal ...dustrial minerals.

...rporation requires a mature, ...qualified and experienced person for ... of Financial Controller. Candidates ... have membership of ACA, ACCA, ...or an equivalent accountancy qualification, and suitable working experience in a relevant large organisation will be an added advantage.

The successful candidate will head the financial control department, and will be expected to formulate uniform financial and accounting systems and procedures for the MINDECO group of companies. Other responsibilities will include monitoring the financial and accounting operations of the subsidiary companies, advising management on all aspects of financial planning and control and consolidating the subsidiaries' accounts. The Financial Controller will report directly to the Managing Director.

...active compensation package will be offered, comprising:

- ★ Negotiable basic salary.
- ★ 25% terminal gratuity on completion of initial 3-year contract.
- ★ Company car.
- ★ Subsidised furnished accommodation.
- ★ Baggage and settling-in allowances.
- ★ Air fares to and from Zambia at beginning and end of contract.
- ★ Free medical facilities and life assurance.
- ★ Six weeks leave per annum.
- ★ Education allowances for children.
- ★ ...ird salary remittable under current regulations.

...nts should write with full personal and career details, and quoting reference FT, to:

Recruitment & Administration Manager,
Zimco Services Limited, Zimco House,
129-139 Finsbury Pavement, London EC2A 1NA.

DAR AL-HANDASAH CONSULTANTS
(Shair & Partners (U.K.) Ltd)

Dar Al-Handasah Consultants, a multi-disciplinary consultancy whose services include the preparation of engineering and architectural designs, town and regional plans and project formulation and evaluation for a wide variety of clients in the Middle East and Africa, offers the following appointments:

(1) Senior Economic Consultant,
£7,000 p.a. upwards

(2) Economic Consultant,
£5,000 p.a. upwards

The work will involve the preparation of feasibility studies for industrial, agricultural and urban projects, and the provision of economic forecasts. A good degree in Economics or a related subject is required. Applicants will be expected to provide evidence of competence in the preparation of reports, and should be willing to travel. A knowledge of French or Arabic would be advantageous.

The above positions offer attractive working conditions and benefits including 4 weeks' annual holiday, company pension scheme, free medical insurance and luncheon vouchers.

Applications should be submitted, together with a current curriculum vitae and photocopies of written work, before 31st March to:

The Managing Director,
Dar Al-Handasah Consultants,
(Shair and Partners (U.K.) Ltd.)
91, New Cavendish Street, LONDON W1M 7FS

Revenue Accountant
A progressive career role with Digital in Reading

Digital Equipment are the world's leading designers and manufacturers of mini-computers, a company with a turnover in excess of £50 million and growing, and employing 1,200 people in the United Kingdom and over 38,000 people worldwide.

We are a progressive and fast moving company with a sophisticated, highly professional young finance team at our North European Headquarters in Reading. As part of our continuing expansion we now wish to further strengthen that team by appointing an experienced and imaginative Revenue Accountant.

Obviously, a company as large and rapidly growing as Digital demands an efficient and effective Revenue Accounting function. The timely and accurate recognition of revenue and up to date maintenance of sales records is vital to our success. Yours, then, is an important and responsible role involving constant monitoring and implementation of procedures and control of invoicing in line with stated inventory policies.

We expect you will be an enthusiastic Accountant, an ACA, ACCA or ACMA with at least 12 months experience in a sales/service environment—preferably gained with a multi-national company in the computer or electronics industry. Certainly, you will be a dedicated professional who responds cooly to pressure and seeks a career role in a company which offers genuine prospects of rapid promotion.

If you're talented, your ambitions will be satisfied by Digital. We are committed to a policy of attracting and retaining a high calibre of staff. We offer a highly attractive salary—a true reflection of your experience and potential—excellent prospects and working conditions, and naturally, a comprehensive benefits package.

Please write to: Ron Rana, Chief Accountant, Digital Equipment Co. Ltd., 2 Cheapside, Reading. Quoting ref. 372.

digital

...NISTRATION

We have a vacancy for a male or female Loan Administration Clerk, in their mid 20s, to join our small but expanding Loan Administration Department.

If you have previous loan experience, ideally gained with a Merchant or American bank, then we would like to hear from you know.

An attractive salary will be paid and there are excellent fringe benefits.

Please write to:- Chris Taylor, Personnel Officer, Saudi International Bank, 99 Bishopsgate, London EC2M 3TB.

البنك السعودي العالمي المحدود
Saudi International Bank
AL-BANK AL-SAUDI AL-ALAMI LIMITED

F.C. FINANCE LIMITED
FINANCIAL CONTROLLER
with board prospects

We are a publicly quoted finance house and subsidiary of the Co-operative Bank and are carrying out a programme of expansion.

We need a Financial Controller in the late 20s or early 30s, to take full responsibility for the financial and accounting activity.

You should have proven experience in management and statutory accounting as well as a good working knowledge of taxation.

This job offers a good salary, prospects for advancement as well as the possibility of promotion to the board in due course.

Apply in first instance to:
Mrs. B. McElhenney, Personnel Assistant,
F.C. Finance Limited, Stratford House, Station Road, Godalming, Surrey.

Financial Controller
Lagos
£18,000+ house, car, etc.

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WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Technical rally fades at mid-session

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Feb. 22.

AFTER THE recent marked depression, Wall Street staged a mild technical rally in moderate early trading to-day, although stocks began to ease back around mid-session.

The Dow Jones Industrial Average, after regaining 1.21 at 750.52 at noon, came back to 749.31 at 1 p.m., unchanked on balance, although the NYSE All Common Index was still 5 cents better at $48.74 at 1 p.m., after earlier touching $48.77. Gains held a narrow lead over declines, while trading volume came to 12.86m. shares at 1 p.m.

Analysts cited the market's oversold condition and a steadier dollar in Europe as factors encouraging some bargain hunting, but warned that with no change for the better in the fundamental news background, the improvement was liable to be short-lived.

Merger news and talk of mergers dominated the scene. **American Motors**, the volume leader, rose ⅛ to $5. The company is said to be discussing with foreign car makers some form of a combination.

Actively-traded **TRW** rose $1 to $31—**ESL**, traded over the counter, has modified its agreement in principle to be acquired by TRW with terms now contemplating a cash price of $47 for each share of ESL, which jumped 9¾ to $43½.

THE AMERICAN SE Market Value Index had recovered 0.30 to 123.16 at 1 p.m. on volume of 1.36m. shares (1.13m.).

CBS, which has made an offer to buy **IMS International**, rose 1½ to $44⅞ after IMS stated that it was not interested. CBS said that it has no plans to improve its offer of $20 per share.

.Closing prices and market reports were not available for this edition.

TUESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Amer. Tel. and Tel.	435,400	60⅛	−⅛
American Motors	373,200	4⅞	+⅛
Allegheny Power	315,300	19	−⅛
Consumers Power	213,700	22⅞	−1
Commonwlth Edison	211,700	27⅞	−⅛
Savin Business Mch.	209,000	20⅛	+2⅛
Allegheny Ludlum	197,100	21⅛	+½
Tampa Electric	164,700	16⅛	−⅛
Gulf States Util.	163,000	13⅞	−⅛
Florida Power	150,500	30⅛	−⅛

OTHER MARKETS

Canada firmer

Canadian stock markets were firmer-inclined yesterday morning in a reasonable business. The Toronto Composite Index put on 2.3 to 1,009.9 at noon, while Oils and Gas advanced 9.1 to 1,333.2 and Banks 0.30 to 241.13, but Golds came back 17.3 more to 1,370.6.

IWC shed 5 cents to $2.05 following announcement of a capital repayment. **Trans-Canada Resources** fell 17 cents to $2.34 on a loss for the year, but **Canadian Hidrogas** added 10 cents to $3.60 on higher first-quarter earnings.

PARIS—Market remained in firm fettle, although Printing stocks followed **Hachette** lower.

CIT-Alcatel up 24 at Frs.864, and **LMT** led Electricals higher.

Elsewhere, **Michelin "B"** added 11 at Frs.1,111, **Moet Hennessy** 7.1 at Frs.358.0, **Poclain** 17 at Frs.137, and **Skis Rossignol** 62 at Frs.1,462.

BRUSSELS—Local issues remained in easier mood in moderate trading conditions.

Vieille Montagne receded 18 to B.Frs.1,320 and **Societe Generale Banque** lost 40 to B.Frs.2,900, but **Arbed** were 45 to the good at B.Frs.2,300 and **Petrofina** improved another 15 to B.Frs.3,985.

AMSTERDAM—Mixed movements with a lower bias were recorded, although Dutch Internationals were mostly higher, **Royal Dutch** adding Fls.0.70.

OCE Grinten declined Fls.3.60, **Elsevier** Fls.4, and **Pakhoed** Fls.1.50, but **AmroBank** gained Fls.0.50.

State Loans weakened, showing losses to Fls.0.50.

GERMANY—Shares were inclined higher, led by the Motor sector, which profited from news of near-record vehicle production in Germany last month.

Volkswagen rose DM4.20, **BMW** DM1, and **Daimler** DM1.50.

Banks and Steels were up to DM1.50 firmer while, among Engineerings, **KHD** rose DM1.50 on reporting higher turnover and "satisfactory profits" last year. **Linde** put on DM3.50, but **MAN** lost DM3.

SWITZERLAND—Market again finished on an irregular note, with trading volume smaller than of late.

In narrowly mixed leading Banks, **Credit Suisse** added 10 more at Sw.Frs.2,520.

Slightly higher Financials had **Interfood "B"** up 100 at Sw.Frs.4,000 and **Oerlikon-Buehrle Bearer** 50 harder at Sw.Frs.2,500.

Innovation was higher among Department Stores, but **Nestle**, in Foods, declined 35 to Sw.Frs.3,645.

MILAN—Generally weaker after fairly active trading in view of the continuing political uncertainty.

Montedison gained 1.25 to L156 against the trend in Industrials, where **Fiat** retreated 15 to L1,980. **Pirelli** were 35 down at L2,180 in Financials.

SPAIN—Scattered narrow movements with an easier bias were recorded, leaving the General Index 0.13 down at a new 1978 low of 92.93.

HONG KONG—Market opened easier on some Overseas selling but partially recovered later, with turnover picking up a little but still relatively low awaiting results from **Hong Kong Bank** and its **Hang Seng Bank** subsidiary.

Hong Kong Bank, $HK16.90, and **Jardine Matheson**, $HK12.30, each shed 10 cents, while **Wheelock** were 2.5 cents cheaper at $HK2.125, but **Swire Pacific**, **Hong Kong Land** and **Hutchison Whampoa** all finished unchanged on balance.

TOKYO—Share prices generally improved in active trading on revived interest in Blue Chips following the dollar's recovery in Tokyo. The Nikkei-Dow Jones Average rallied 23.58 to 5,085.40, with volume amounting to 380m. shares (260m.).

The rise was also helped by stock market rumours of a possibel cut in the Bank of Japan's official discount rate following Eidal's business failure. However, the Bank has ruled out a cut at present.

TDK Electronics advanced Y30 to Y1,490, **Toyota Motor** Y13 to Y908, and **Nissan Motor** Y12 to Y808.

Toyo Kogyo gained ground on reports of mechanical parts sales negotiations with Ford Motor, of the U.S.

JOHANNESBURG — Golds turned lower towards the close after a steady morning session. Trading was quiet.

Elsewhere, **de Beers** strengthened 15 cents to R5.78. Platinums were generally around 5 cents easier, while Coppers were fractionally down in places.

Industrials were predominantly lower, with losses outnumbering gains by nearly three to one.

AUSTRALIA — Mining issues were easier-inclined, while Industrials closed narrowly mixed.

Coal and Allied firmed 8 cents to $A3.90 on its Warkworth go-ahead from the New South Wales Government, but **Oakbridge** fell 6 cents to $A1.76 ahead of the results. **Pancontinental** lost 10 to $A9.80 and **Renison Tin** 6 cents to $A6.70, while **CRA** were 4 cents down at $A1.98.

Pioneer Concrete lost 3 cents to $A1.42, but **CSR**, in Sugars, hardened 4 cents to $A2.73.

Indices

NEW YORK—DOW JONES

	Feb. 21	Feb. 17	Feb. 16	Feb. 15	Feb. 14	Feb. 13	1977-78 High	1977-78 Low	Since Compilat'n High	Since Compilat'n Low
Industrial	749.51	752.69	765.29	761.69	766.16	774.45	899.75 (3/1/77)	749.51 (21/2/78)	1051.70 (11/1/73)	41.22 (2/7/32)
H'meB'nds*	89.59	89.55	89.64	89.61	89.64	89.77	95.67 (7/3)	[illegible] (26/1/72)	—	—
Transport	205.01	205.84	205.60	205.59	207.98	209.66	246.64 [illegible]	199.60 (25/10)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	102.84	103.52	103.55	103.98	104.53	104.87	119.67 (22/2/77)	102.84 (21/2/78)	163.32 (20/4/69)	10.58 (8/4/32)
Trading vol. 000's †	21,690	18,508	21,570	20,170	20,470	16,810	—	—	—	—

* Basis of index changed from August 24.

	Feb. 17	Feb. 10	Feb. 3	Year ago (approx.)
Ind. div. yield %	6.13	5.94	5.98	4.46

STANDARD AND POORS

	Feb. 21	Feb. 17	Feb. 16	Feb. 15	Feb. 14	Feb. 13	1977-78 High	1977-78 Low	Since Compilat'n High	Since Compilat'n Low
‡Industrials	96.45	96.81	96.94	97.79	98.01	98.81	118.92 (3/1/77)	96.45 (21/2/78)	134.54 (11/1/73)	3.52 (30/6/32)
§Composite	87.59	87.96	88.08	88.83	89.04	89.86	107.00 (3/1/77)	87.59 (21/2/78)	125.85 (11/1/73)	4.40 (1/6/32)

	Feb. 15	Feb. 8	Feb. 1	Year ago (approx.)
Ind. div. yield %	5.53	5.17	5.22	3.97
Ind. P/E Ratio	8.57	8.77	8.69	10.94
Long Govt. Bond yield	8.26	8.20	8.18	7.65

N.Y.S.E. ALL COMMON

Feb. 21	Feb. 17	Feb. 16	Feb. 15	1977-78 High	1977-78 Low
48.69	48.90	48.54	49.54	57.07 (4/1/77)	48.69 (21/2/78)

Rises and Falls

	Feb. 21	Feb. 17	Feb. 16
Issues traded	1,862	1,815	1,848
Rises	487	656	369
Falls	940	676	1,040
Unchanged	435	481	439
New Highs	13	20	17
New Lows	114	63	105

MONTREAL

		Feb. 21	Feb. 20	Feb. 17	Feb. 16	1977-78 High	1977-78 Low
MONTREAL	Industrial	164.52	163.71	165.66	162.90	186.47 (17/3)	158.02 (25/10)
	Combined	173.19	172.46	172.42	171.74	197.96 (19/1/77)	165.66 (25/10)
TORONTO	Composite	1007.6	1008.0	1007.7	1002.6	1067.4 (19/1/77)	961.0 (25/10)
JOHANNESBURG	Gold	209.5	215.8	210.7	211.6	219.7 (1/2/78)	169.4 (24/6)
	Industrials	205.5	204.7	206.1	207.5	214.4 (4/1/78)	164.1 (22/4)

	Feb. 22	Previous	1977-78 High	1977-78 Low
Australia (¶)	459.31	459.26	479.45 (3/1/78)	416.25 (16/2/77)
Belgium (‖)	93.59	93.46	99.12 (10/1/77)	90.45 (12/1/78)
Denmark (**)	96.26	96.16	107.92 (9/6)	94.00 (6/2/78)
France (††)	53.5	52.1	58.4 (1/1/77)	45.6 (10/6)
Germany (‡‡)	811.5	809.5	815.5 (17/11)	712.5 (10/5)
Holland (§§)	79.6	80.2	95.2 (4/6)	75.6 (29/9)
Hong Kong (¶¶)	409.48	410.61	435.17 (11/6)	383.44 (15/1/78)
Italy (‖‖)	61.54	62.26	75.71 (5/1/77)	54.90 (22/12)
Japan (a)	382.79	380.01	390.95 (29/3)	350.49 (24/11)
Singapore (b)	269.31	269.91	[illegible]	[illegible]

	Feb. 22	Previous	1977-78 High	1977-78 Low
Spain (d)	95.95	95.06	100.00 (30/12)	92.93 (22/2/78)
Sweden (e)	355.23	355.61	416.66 (22/3)	356.69 (24/11)
Switzerl'd (f)	314.2	314.4	323.7 (14/2/78)	280.5 (5/5)

Indices and base dates (all base values 100 except NYSE All Common — 50 Standards and Poors — 10 and Toronto 300-1,000, the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (¶) Sydney All Ord. (‖) Belgian SE 31/12/63. (**) Copenhagen SE 1/1/73. (††) Paris Bourse 1961. (‡‡) Commerzbank Dec., 1953. (§§) Amsterdam Industrial 1970. (¶¶) Hang Seng Bank 31/7/64. (‖‖) Milan 2/1/73. (a) Tokyo New SE 4/1/68. (b) Straits Times 1966. (c) Close. (d) Madrid SE 30/12/77—high and low for 1977 only. (e) Stockholm Industrial 1/1/58. (f) Swiss Bank Corp. (u) Unavailable.

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NEW YORK

Stock	Feb. 21	Feb. 17
Abbots Labs	52⅛	51⅝
Addressograph	15⅛	15¼
Aetna Life & Cas	33⅝	33¼
Air Products	24½	24
Airco	39⅝	38¾
Alcan Aluminium	22	22½
Alcoa	39½	39¼
Allegheny Ludl.	19⅛	19⅝
Allegheny Power	19	19¼
Allied Chemical	35½	35⅝
Allied Stores	19	19
Allis Chalmers	24½	24⅝
AMAX	31¼	32¾
Amerada Hess	22⅞	23⅜
Amer. Airlines	9⅛	9½
Amer. Brands	44¼	43⅞
Amer. Broadcast	36¼	36⅝
Amer. Can	36	36¼
Amer. Cyanamid	24⅛	24¾
Amer. Elec. Pow.	23	23⅛
Amer. Express	32	32¼
Amer. Home Prod.	27⅛	27¾
Amer. Medical	18½	18¾
Amer. Motors	4⅞	4¾
Amer. Nat. Gas	40½	41
Amer. Standard	34⅛	36
Amer. Stores	29	28¾
Amer. Tel. & Tel.	60⅛	60⅜
Ametek	28⅞	28¼
AMF	16	16¼
AMP	24¾	24¾
Ampex	12½	12⅝
Anchor Hocking	26⅞	26⅛
Anheuser Busch	18⅛	18¾
Armco Steel	26⅛	26¾
A.S.A.	20⅞	20½
Asamera Oil	8½	8½
Asarco	16½	16⅛
Ashland Oil	27⅜	27¼
Atl. Richfield	44½	44¾
Auto Data Pro.	23⅝	24⅛
AVC	10	10
Avco	18	17⅞
Avon Products	44⅞	44¾
Balt. Gas Elect.	25½	26
Bank America	21	21¼
Bankers Tr. N.Y.	34⅝	34¾
Barber Oil	26	26
Baxter Travenol	34	34
Beatrice Food	25¼	23⅜
Becton Dickenson	36⅞	37⅝
Bell & Howell	17½	17¼
Bendix	33⅝	33⅞
Benguet Cons 'B'	3	2⅞
Bethlehem Steel	20⅝	20⅛
Black & Decker	15⅛	15
Boeing	29⅞	29⅛
Boise Cascade	25⅝	25¾
Borden	29⅞	29⅝
Borg Warner	26⅛	26⅝
Braniff Int.	10⅛	10
Brascan 'A'	15½	15⅜
Bristol Myers	30⅝	30⅝
Brit. Pet. ADR	14⅝	14⅝
Brockway Glass	26¼	27⅝
Brunswick	14¾	14⅝
Bucyrus Erie	16¾	16¾
Budd	32⅝	32¼
Bulova Watch	5½	5½
Burlington Nthn.	37¼	36⅝
Burroughs	60¼	60⅛
Campbell Soup	32	32¼
Canadian Pacific	14⅞	15⅛
Canal Randolph	10½	10¼
Carnation	27	28¼
Carrier & General	11¾	12⅛
Carter Hawley	15⅞	16¼
Caterpillar Tractor	49¾	49⅝
CBS	43¾	43⅝
Celanese Corpn.	38⅞	38¾
Central & S. W.	15¼	15½
Certainteed	20⅞	21½
Cessna Aircraft	31⅝	31⅞
Chase Manhattan	27⅝	27⅞
Chemical Bk. N.Y.	38⅝	38⅞
Chesebrgh Pond.	20⅝	20½
Chessie System	33⅝	32¾
Chicago Bridge	43¼	43¾
Chromalloy	16⅝	16¾
Chrysler	12½	12⅝
Cinerama	2½	2½
Cinc. Milacron	18¾	19
Citicorp	19¼	19½
Cities Service	46¼	46⅝
City Investing	12⅜	12½
Coca Cola	35¾	36⅛
Colgate Palm	19¾	20
Collins Aikman	10¾	11
Columbia Gas	28	27⅞
Columbia Pict.	15½	15⅝
Com. Insco. of Am.	15½	15½
Combustion Eng.	32	32¼
Combustion Eq.	15⅝	15⅝
Com'w'th Edison	27¼	27⅜
Com'w'th Oil Ref.	2½	2½
Comm. Satellite	33¼	32½
Computer Science	8¾	8¾
Conrac	19½	19½
Con. Edison N.Y.	23⅝	22⅞
Consol Foods	24	24⅜
Consol. Nat. Gas	34½	35¼
Consumer Power	22½	22⅝
Continental Grp.	29⅝	30⅜
Continental Oil	27½	27½
Continental Tele.	15½	15
Control Data	23½	23⅝
Cooper Indus.	42	41⅞

Stock	Feb. 21	Feb. 17
Corning Glass	46¼	46½
CPC Int'n'tional	44½	44¾
Crane	25⅞	26½
Crocker Nat.	24½	24⅜
Crown Zellerbach	29¼	29¾
Cummins Engine	32⅞	32
Curtiss-Wright	17	17
Dana	21¾	22⅜
Dart Industries	36¼	36⅜
Deere	23½	23½
Del Monte	23½	23
Deltona	5¼	5⅜
Dentsply Inter.	17⅛	17¼
Detroit Edison	16⅝	16⅝
Diamond Shamrk.	27¼	27¼
Dictaphone	11⅞	12
Digital Equip.	39¼	39⅝
Disney (Walt)	32⅞	33¼
Dover Corpn.	39½	40
Dow Chemical	23⅝	23⅝
Dresser	38¾	39⅛
Du Pont	101⅝	103⅛
Dymo Industries	13½	13⅜
Eagle Picher	16½	17
East Airlines	6½	6⅜
Eastman Kodak	43¾	43½
Eaton	34⅜	34⅜
E. G. & G.	19⅛	19⅛
El Paso Nat. Gas	15	15¼
Eltra	28¼	28
Emerson Electric	30¼	30½
Emery Air Fr'ight	38⅞	38¾
Emhart	29¼	29¼
E.M.I.	3⅛	3⅛
Engelhard	23	23
Esmark	25¼	26
Ethyl	19½	19⅝
Exxon	44½	44⅞
Fairchild Camera	25⅝	25⅞
Fed. Dept. Stores	34⅝	35½
Firestone Tire	14	14½
Fst. Nat. Boston	25	24⅞
Flexi Van	16⅞	17
Flintkote	20½	20½
Florida Power	30¼	30½
Fluor	31⅝	32
F.M.C.	20⅝	20⅝
Ford Motor	41¾	41¾
Foremost Mck.	17⅝	17½
Foxboro	29¼	30⅛
Franklin Mint	7⅝	7¾
Freeport Mineral	18⅞	18⅞
Fruehauf	25½	25½
Fuqua Inds.	9¼	9¾
G.A.F.	10⅞	11
Gannett	35¾	35⅞
Gen. Amer. Int.	9¼	9⅝
G.A.T.X.	24½	24⅞
Gen. Cable	12¾	12¾
Gen. Dynamics	37¼	38¾
Gen. Electric	44¾	45
General Foods	26⅜	26⅞
General Mills	27⅜	27⅞
General Motors	57⅝	57¾
Gen. Pub. Util.	19¼	19⅛
Gen. Signal	25⅞	25⅝
Gen. Tel. Elect.	28½	28⅝
Gen. Tyre	22⅞	23⅜
Genesco	5⅛	5⅜
Georgia Pacific	23⅞	24
Getty Oil	160	152¾
Gillette	24¾	24⅞
Goodrich B.F.	19¼	19⅛
Goodyear Tire	16¼	16½
Gould	27¼	27½
Grace W.R.	24¼	24⅞
Gt. Atlan Pac Tea	8⅞	8⅞
Gt. North Iron	26¾	25⅞
Greyhound	13½	13⅛
Gulf & Western	11⅛	11½
Gulf Oil	24⅛	24⅛
Halliburton	58⅞	58⅛
Hanna Mining	38½	38½
Harnischfeger	15⅝	15⅛
Harris Corpn.	42¼	42¾
Heinz H.J.	36⅝	36
Heublein	26⅛	26⅞
Hewlett Packard	63⅝	64⅛
Holiday Inns	15	15⅛
Homestake	33⅝	33¾
Honeywell	43¾	43¼
Hoover	11⅜	11¾
Hosp. Corp. Amer.	24½	24¾
Houston Nat. Gas	24¼	24⅛
Hunt (Ph.A.) Chm.	10	10
Hutton (E.F.)	11¼	11⅝
I.C. Industries	24	24⅛
INA	35¼	35½
Ingersoll Rand	55½	54⅛
Inland Steel	34	34
Insilco	12⅞	13
Intercont. Energy	7	7½
IBM	256¼	256¾
Intl. Flavour	19¾	20⅛
Intl. Harvester	27⅞	27⅞
Intl. Min & Chem	38⅝	38⅞
Intl. Multifoods	20⅞	20⅜
Inco	14½	14¼
Intl. Paper	37¼	37½
IPG	27½	27⅞
Int. Rectifier	10¼	10
Int. Tel. & Tel.	27¼	27⅛
Invest	1¼	1¼
Iowa Beef	29⅛	29½
IU International	11⅞	11½
Jim Walter	27½	28

Stock	Feb. 21	Feb. 17
Johns Manville	30	30⅛
Johnson Johnson	66⅝	66¾
Johnson Control	27⅞	28⅝
Joy Manufactur'g	30½	31
K.Mart Corp.	23¾	23¾
Kaiser Alumini'm	28⅞	28
Kaiser Industries	4⅜	4¾
Kaiser Steel	21¼	22
Kay	8	7⅝
Kennecott	21⅝	22
Kerr McGee	40⅝	40⅛
Kidde Walter	27½	27¼
Kimberly Clark	42½	42⅞
Koppers	20	20⅛
Kraft	42½	43
Kroger Co.	26⅝	26⅞
Levi Strauss	28¼	28¼
Libby Ow. Food	26⅛	27¼
Liggett Group	27½	27½
Lilly (Eli)	38⅝	38¾
Litton Indust.	14¼	14¼
Lockheed Aircr'ft	13⅝	13¾
Lone Star Inds.	17⅞	18
Long Island Ltd.	18½	18½
Louisiana Land	20⅝	20½
Lubrizol	34½	34½
Lucky Stores	13⅝	13¼
Lykes Y'ngst'wn	5⅞	5⅞
MacMillan	10¼	10⅜
Macy R. H.	36⅜	36⅝
Mfrs Hanover	29⅞	29¼
Mapco	33¼	33⅝
Marathon Oil	42⅝	41⅞
Marine Midland	15	15⅛
Marshall Field	28¼	29¾
May Dept. Stores	21¼	21⅞
MCA	32⅞	32⅜
McDermott	24	24⅛
McDonnell Doug	23⅛	22⅞
McGraw Hill	17⅜	17⅛
Memorex	26⅞	26⅞
Merck	55⅞	55½
Merrill Lynch	14⅜	14¼
Mesa Petroleum	36⅛	36
MGM	25¼	25½
Minn Ming & Mtg.	45½	46
Mobil Corp.	58¼	58⅜
Monsanto	47	47⅜
Morgan J. P.	39¼	39¼
Motorola	36	36⅛
Murphy Oil	34	34½
Nabisco	49¾	49⅞
Nalco Chemical	26½	26⅛
National Can	14⅝	15⅜
Nat. Distillers	21¼	21¼
Nat. Service Ind.	13	13½
National Steel	29¼	30¼
Natomas	36⅛	36
NCR	40	40½
Neptune Imp.	13⅞	14
New England E.	22⅛	22⅜
New England Tel	34⅝	34⅞
Niagara Mohawk	14¾	14⅞
Niagara Share	9½	9½
N. L. Industries	15⅞	15⅝
Norfolk & Western	26¼	26⅝
North Nat. Gas	34¾	35⅜
Nthn States Pwr	25⅛	25½
Nthwest Airlines	23¼	23¼
Nthwest Bancorp.	22	22⅛
Norton Simon	17	17⅛
Occidental Petrol	21¾	21½
Ogilvy Mather	37½	37½
Ohio Edison	18⅞	18¾
Olin	15⅝	15¾
Overseas Ship.	21½	21⅞
Owens Corning	58¼	58¾
Owens Illinois	21⅝	21⅝
Pacific Gas	24⅛	24
Pacific Lighting	20	19¾
Pac. Pwr. & Li.	20⅝	20⅝
Pan Am World Air	4⅞	5
Parker Hannifin	22¾	22¾
Peabody Int.	20½	20½
Pen. Pw. & Lt.	22½	22½
Penny J.C.	34⅛	34¼
Pennzoil	29½	29¾
Peoples Drug	7½	7⅛
Peoples Gas	33¼	33⅛
Pepsico	24⅞	25
Perkin Elmer	17½	17⅝
Pet	36¼	36¾
Pfizer	26⅞	26½
Phelps Dodge	18⅝	18⅞
Philadelphia Ele.	19	19¼
Philip Morris	56⅜	56⅛
Phillips Petrol'm	28	28¼
Pillsbury	36⅝	37½
Pitney Bowes	18⅞	18¾
Pittston	23¾	24
Plessey Ltd ADR	16⅞	16½
Polaroid	24¼	24⅞
Potomac Elec.	15⅝	15⅝
PPG Industries	23¾	23⅞
Procter Gamble	77¼	77¾
Pub. Serve Elect.	22⅞	22⅝
Pullman	24½	25½
Purex	16⅞	16⅞
Quaker Oats	20¼	21⅛
Rapid American	6⅞	6⅞
Raytheon	30⅛	30⅞
RCA	25⅛	24½
Republic Steel	22⅝	23

Stock	Feb. 21	Feb. 17
Revlon	40⅞	41
Reynolds Metals	25¾	26
Reynolds R. J.	54¼	54⅝
Rich'son Merrell	20½	20½
Rockwell Inter.	30⅛	30⅛
Rohm & Haas	29½	29¼
Royal Dutch	56⅝	55⅞
RTE	13⅞	13½
Russ Togs	11¾	11⅝
Ryder System	13½	13⅝
Safeway Stores	36⅞	36¾
St. Joe Minerals	26	26⅛
St. Regis Paper	27⅞	27½
Santa Fe Inds.	34¼	34½
Saul Invest.	4¼	4½
Saxon Inds.	5	5
Schlitz Brewing	15	12⅞
Schlumberger	66⅝	66¼
SCM	16⅛	16⅝
Scott Paper	12⅞	13
Scovil Mfg.	20⅜	20¾
Scudd'r Duo Vest	6⅜	6⅝
Sea Containers	19⅛	20¼
Seagram	20½	21⅛
Searle G.D.	12½	12½
Sears Roebuck	24½	24⅝
SEDCO	32	32½
Shell Oil	29	29½
Shell Transport	38⅝	38¼
Signal	28½	28½
Signode Corp.	33½	34¼
Simplicity Pat	11	11
Singer	18⅞	18⅞
Smith Kline	47⅞	47½
Solitron	1⅞	1¾
Southdown	24⅝	24⅞
Southern Cal. Ed.	26⅛	26½
Southern Co.	16½	16⅞
Sthn. Nat. Res.	29	29⅛
Southern Pacific	32⅛	32⅛
Southern Railway	46⅛	47
Southland	22⅞	23⅛
S'w't Bankshares	23⅛	24
Sperry Hutch.	15⅞	15⅞
Sperry Rand	33⅝	33¼
Squibb	23⅞	23
Standard Brand	25¼	25⅞
Std. Oil California	37⅞	37¼
Std. Oil Indiana	46	46½
Std. Oil Ohio	66	67¼
Stauff Chemical	35⅞	36¼
Sterling Drug	13⅛	13⅜
Studebaker	50⅛	51
Sun Co.	35⅝	36¼
Sundstrand	33⅝	33
Syntex	22½	22¼
Technicolor	8¼	8½
Tektronix	33⅞	33¾
Teledyne	72¾	71⅛
Telex	3⅜	3⅛
Tenneco	29⅜	29⅜
Tesoro Petroleum	9¼	9⅜
Texaco	25¼	25½
Texasgulf	16½	16¾
Texas Instm.	65	66¾
Texas Oil & Gas	29⅛	29⅞
Texas Utilities	19⅝	19⅞
Time Inc.	35	35⅛
Times Mirror	22⅝	22¼
Timken	43⅝	45⅝
Trane	32⅞	33
Transamerica	13¾	13½
Tranwy	18⅝	19
Trans Union	35	35½
Transway Int'nl	23½	23⅞
Trans World Air.	12⅛	12⅜
Travellers	28	28⅛
Tri Continental	18⅝	18⅝
T.R.W.	30	30⅛
20th Century Fox	23	21¾
UAL	19⅝	19⅜
UARCO	21½	21
UGI	23	23
UOP	14¾	14¾
Unilever	36⅛	37⅜
Unilever NV	55⅛	54⅝
Union Bancorp	15	13
Union Carbide	37⅞	38
Union Commerce	6⅞	6⅞
Union Oil Calif.	47⅝	47⅝
Union Pacific	42	42¼
Uniroyal	7⅛	7½
United Brands	7½	7½
United Corp.	10½	10¾
US Bancorp	27⅞	27½
US Gypsum	22⅝	22⅝
US Shoe	22	22⅛
US Steel	25¼	25½
U. Technologies	33⅞	34
UV Industries	18⅛	18¼
Virginia Elect.	14⅛	14½
Walgreen	18¾	18⅞
Warner Commun.	32⅞	33
Warner-Lambert	26¼	26
Waste-Man'ment	19⅛	19½
Wells Fargo	24⅝	25
Western Bancorp	30	30
Western N. Amer	23¼	24⅜
Western Union	16¾	16⅞
Westinghse Elec	17⅛	17⅛
Weyco	23⅛	24⅛
Weyerhaeuser	22	21⅞
Whirlpool	20⅞	21
White Con. Ind.	20⅛	20⅛
William Co.	17⅛	17⅛
Wisconsin Elect.	27⅝	27⅝

Stock	Feb. 21	Feb. 17
Woolworth	17¾	17⅞
Wyly	0¾	0¾
Xerox	44⅝	44⅞
Zapata	15½	16
Zenith Radio	12¼	13
U.S. Treas. 4% 1980	†94	†94
US Treas 4¾% 78/83	†81¾	†81¾
U.S. 90 Day bills	6.46%	6.42%

CANADA

	Feb. 21	Feb. 20
Abitibi Paper	11	11⅛
Agnico Eagle	6	6⅜
Alcan Aluminium	24½	24⅞
Algoma Steel	16⅝	16¼
Asbestos	38	†38⅝
Bank of Montreal	18	18
Bank Nova Scotia	19½	19⅝
Basic Resources	6⅞	6⅝
Bell Telephone	54	53⅝
Bow Valley Inds.	21⅛	21⅛
BP Canada	15	14¾
Brascan	15⅜	15¼
Brinco	†3.35	†3.25
Calgary Power	35½	35½
Camflo Mines	16	16⅛
Canada Cement	9⅛	9½
Canada NW Land	10	10⅛
Can. Imp. Bk. Com	25⅝	25¾
Canada Indust.	†20	†20¼
Can. Pacific	16⅝	16⅛
Can. Pacific Inv.	17⅛	17⅛
Can. Super Oil	52	†51¾
Carling O'Keefe	3.30	3.25
Cassiar Asbestos	9	9
Chieftain	18⅛	18⅞
Cominco	25¾	26⅛
Cons. Bathurst	23	23½
Consumer Gas	16⅝	16⅝
Coseka Resources	7	7
Costain Rich.	8⅞	9
Denison Mines	58	57¼
Dome Mines	77¾	78½
Dome Petroleum	55⅞	55½
Dominion Bridge	23¼	25⅛
Domtar	14⅞	14⅞
Dupont	12⅞	13
Falcon'ge Nickel	17¼	17⅝
Ford Motor Can.	72¼	†72¼
Genstar	26	26
Giant Yellowknife	14	13¾
Gulf Oil Canada	27¼	27¼
Hawker Sid. Can.	5⅞	5⅝
Hollinger	†29¾	30
Home Oil 'A'	38¼	38¼
Hudson Bay Mng.	15⅛	15½
Hudson Bay	17⅝	17½
Hudson Oil & Gas	41	42
I.A.C.	17⅝	17⅛
Imasco	30⅞	30¾
Imperial Oil	19⅛	18⅝
Inco	16	16
Indal	10¼	10
Inland Nat. Gas	10⅝	10½
Int. Pr'v Pipeline	13¾	13¾
Kaiser Resources	14	13⅞
Laurin't Fin Corp	7⅛	7⅛
Loblaw Com. 'B'	3.30	†3.35
McMill'n Bloed.	16	16⅛
Massey Ferguson	10¾	10½
McIntyre	20¾	21
Moore Corpn	32	31¼
Noranda Mines	22¾	22¾
Norcen Energy	15½	15⅞
Nth. Telecom	25⅞	26
Numac Oil & Gas	17⅝	17⅞
Oakwood Pet'm.	4.95	5.12
Pacific Copper M.	2.05	2.05
Pacific Petroleum	36⅛	35⅞
Pan. Can. Pet'm.	32¾	33¼
Patino	16	†15½
Peoples Dept. S.	4.05	4.00
Place Gas & Oil	0.81	0.88
Placer Developmt	19½	19½
Power Corporat'n	10½	10½
Price	11½	11⅝
Quebec Sturgeon	1.60	1.59
Ranger Oil	27½	27⅝
Reed Shaw	8¾	8¾
Rio Algom	26	26½
Royal Bk. of Can.	27⅝	27⅝
Royal Trust	16⅛	16
Seagrams	23¼	23½
Shell Canada	15	14⅞
Sherritt G. Mines	4.70	4.70
Siebens O. G.	32⅝	31⅞
Simpson	4.40	4.50
Steel of Canada	24⅛	23⅝
Steep Rock Iron	2.31	†2.31
Texaco Canada	39⅞	40⅛
Toronto Dom. Bk.	16⅞	17
TransCan Pipeline	14⅛	14⅛
Trans Mount Pipe	9½	9¼
Trizec	†10¼	†10¼
Union Gas	10⅛	10⅛
Utd. Siscoe Mines	7⅛	7⅛
Walker Hiram	30⅛	30⅛
West Coast Trans.	32⅞	33½
Weston (Geo.)	15	14½

* Assented. † Bid. ‡ Asked.
§ Traded. ¶ New stock.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM50 denom. unless otherwise stated. ♥ Ptas.500 denom. unless otherwise stated. ♣ Kr.100 denom. unless otherwise stated. ♦ Frs.500 denom. and Bearer shares unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross. div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs: including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. u Merger pending. * Asked. † Bid. § Traded. ‡ Seller. * Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

GERMANY ◆

Feb. 22	Prices Dm.	+ or −	Div. %	Yld. %
AEG	89.7		—	—
Allianz Versich.	494	−2	18	1.8
BMW	231.5	−1	20	4.4
BASF	140.5		17	6.1
Bayer	139.6	−0.4	16	5.7
Bayer. Hypo.	290	−0.5	20	3.4
Bayer. Vereinsbk	323	+0.2	20	3.1
[illegible]	215		—	—
Commerzbank	230.5	−1.2	18	3.9
Conti Gummi	80	−1.7	—	—
Daimler Benz	314	−1.5	19	3.1
Degussa	270.5	−1	17	3.2
Demag	165.5	−1	14	4.2
Deutsche Bank	311.5	−1	20	3.2
Dresdner Bank	251.9	−1	20	4.0
Dyckerhoff Zem.	148	−4.5	4	1.3
Gutehoffnung	205.5xd		12	2.9
Hapag Lloyd	113	−1	12	5.2
Harpener	257	−4	9	3.2
Hoechst	130	+0.1	16	6.2
Hoesch	46.4	−1.6	4	4.4
Horten	119.5	−1	10	4.2
Kali und Salz	159.5	−1.5	9	2.9
Karstadt	299	−1.5	20	3.3
Kaufhof	206.5	−0.5	20	4.8
Kloeckner Dm 100	94	−1.5	—	—
KHD	178.5	+1.5	12	3.3
Krupp	97.5		—	—
Linde	246.5	−3.5	16	3.3
Lowenbrau 100	1,550		20	1.2
Lufthansa	111.8	−0.7	7	3.2
MAN	197	−3	12	3.1
Mannesmann	173.6	−0.5	14	4.0
Metallges.	234	+2.5	10	2.2
Muenchener Rück	530	−10	18	1.7
Neckermann	113		—	—
Preussag Dm 100	111.8		7	6.2
Rhein West Elect.	211.5	−1.3	16	3.8
Schering	259.2		20	3.8
Siemens	300	−0.8	16	2.7
Sud Zucker	252		17	3.4
Thyssen A.G.	125.5	−0.8	11	4.4
Varta	185	−1.5	14	3.8
VEBA	118	−0.2	12	5.0
Verein & West Bk	302	−1	20	3.3
Volkswagen	215.2	−4.2	10	2.5

AMSTERDAM

Feb. 22	Price Fls.	+ or −	Div. %	Yld. %
Ahold (Fl.20)	98.3	−1.3	24	4.9
Akzo (Fl.20)	22.2		—	—
Alg Bnk (Fl.100)	345		A22.6	6.5
AMEV (Fl.10)	79.1	−0.5	A44	5.6
Amrobank (Fl.20)	71.9	−0.5	22½	6.5
Bijenkorf	79.5	−1.0	25	5.8
Boka Westm (Fl.10)	117.7		70	5.9
Buhrm Tetterode	66.2		25	7.6
Elsevier (Fl.20)	265	−4	121	1.6
Ennia N.V. Bearer	139		32.5	4.1
EuroComTst (Fl.10)	62.0		94.6	5.6
Gist Brocades (Fl.)	35.9	−1.0	22	6.1
Heineken (Fl.25)	102.5	−1.6	14	3.4
Hoogovens (Fl.20)	25.4	−0.6	10.26	8.0
Hunter D. (Fl.100)	22.5	−0.5	12	5.3
I.H.C. Holland	14.0	−0.2	10	7.1
KLM (Fl.100)	124.8		—	—
Int. Muller (Fl.20)	36.1	−0.4	18	9.9
Naarden (Fl.40)	36.5	−3.1	10	2.8
Nat Ned Ins (Fl.10)	106.3	−0.2	46.2	4.4
Ned Cred Bk (Fl.20)	54.3	−1.1	20	7.4
Ned Mid Bk (Fl.50)	196	−1	20	5.1
Oce (Fl.20)	155.2	−3.6	A34	4.3
Van Ommeren	136.1	−1.4	18	5.9
Pakhoed (Fl.20)	38.0	−1.5	31	11.0
Philips (Fl.10)	25.6	−0.3	21	6.3
Rijn Sch Verf (Fl.100)	63.5	−1.2	16	—
Robeco (Fl.50)	163.2	−0.1	A2.58	7.9
Rolinco (Fl.50)	115		—	—
Rorento (Fl.50)	129.8	−0.1	14	5.4
Royal Dutch (Fl.20)	124.5	+0.7	A50	8.0
Slavenburg	243.0	+0.1	19	7.8
Stevin Grp (Fl.20)	141.0	−3.5	27½	3.9
Tokyo Pac Hlds $	92.5	−0.5	30	0.8
Unilever (Fl.20)	121.6	−0.4	[illegible]	6.9
Viking Res. Int. $1	40		20	1.2
Westland'n. Banc	408	−15	32	3.9

COPENHAGEN ♣

Feb. 22	Price Kroner	+ or −	Div. %	Yld. %
Andelsbanken	141½		11	7.8
Burm'str W'ain	428		15	3.5
Danske Bank	134		12	8.9
East Asiatic Co.	230	−1	12	5.2
Finansbanken	117	−¼	13	11.0
For. Bryggerier	326		12	3.7
For. Papir	74	−½	8	10.8
Handelsbank	134½		12	8.2
G. N'th'n H (Kr80)	260	+1½	12	4.2
Nord Kabel	269½	+½	12	4.5
Oliefabrik	90½	+1½	—	—
Privatbank	138½	−¼	11	7.9
Provinsbank	143¾		11	7.7
Soph. Berendsen	376	−1	12	3.2
Superfos	186½	−1¼	12	6.5

VIENNA

	Price %	+ or −	Div. %	Yld. %
Creditanstalt	350		10	2.9
Perlmooser	265		9	3.5
Selecta	572	−2	48	8.4
Semperit	90		—	—
Steyr Daimler	190	−2	7	3.7
Veit Magnesit	235		14	6.0

TOKYO ¶

Feb. 22	Prices Yen	+ or −	Div. %	Yld. %
Asahi Glass	318		14	2.2
Canon	447	+7	12	1.3
Casio	592		25	2.1
Chinon	357	+6	20	2.8
Dai Nippon Print	515	−1	18	1.8
Fuji Photo	546	+21	15	1.4
Hitachi	210	−5	12	2.9
Honda Motors	561		18	1.6
House Food	1,190	+70	35	1.5
C. Itoh	210		12	2.9
Ito-Yokado	1,240		30	1.2
Jaccs	634	+14	13	1.0
J.A.L.	2,720	+10	—	—
Kansai Elect. Pw.	1,040	+10	10	4.8
Komatsu	315	−2	18	2.9
Kubota	278		15	2.7
Kyoto Ceramic	2,570	+70	35	0.7
Matsushita Ind.	590	+6	20	1.7
Mitsubishi Bank	279		10	1.8
Mitsubishi Heavy	131		12	4.6
Mitsubishi Corp.	415		13	1.6
Mitsui & Co.	310	−5	14	2.3
Mitsukoshi	521		20	1.9
Nippon Denso	1,190	+60	15	0.6
Nippon Shinpan	640	−25	12	0.9
Nissan Motors	808	+12	16	1.0
Pioneer	1,320	+20	48	1.7
Sanyo Electric	203	−3	12	3.0
Sekisui Prefab.	879	+9	30	1.7
Shiseido	1,070	−10	20	0.9
Sony	1,780		40	1.1
Taisho Marine	245		11	2.2
Takeda Chemical	327	+12	15	2.3
TDK	1,490	+30	30	1.0
Teijin	114	−8	10	4.4
Tokio Marine	493	−3	11	1.1
Tokio Elect Pow'r	1,110	−10	8	3.6
Tokyo Sanyo	250	−1	12	2.4
Tokyo Shibaura	124	−1	10	4.0
Toray	122	−1	10	4.1
Toyota Motor	908	−13	20	1.1

¶ Source Nikko Securities, Tokyo.

BRUSSELS/LUXEMBOURG

Feb. 22	Price Frs.	+ or −	Div. Frs. Net	Yld. %
Arbed	2,300	+45	—	—
Bq. Bru. Lamb.	1,420	−4	60	4.2
Bekaert "B"	1,735	−5	112	6.5
C.B.R. Cement	1,160	−12	90	7.9
Cockerill	369	−1	—	—
EBES	2,310		177	7.7
Electrobel	5,970	+20	430	7.2
Fabrique Nat.	2,420		170	7.0
G.B. Inno-Bm	1,880	−5	130	6.9
Gevaert	1,228	−8	80	6.5
Hoboken	2,555	−5	170	6.7
Intercom	1,800	−5	142	7.9
Kredietbank	6,400		265	3.8
La Royale Belge	5,180		305	5.9
Pan Holding	2,440		$2.25	3.3
Petrofina	3,985	−15	174	4.4
Soc. Gen. Banque	2,900	−40	189	6.5
Soc. Gen. Belgique	1,960	−10	140	7.2
Sofina	3,000	−5	205	6.8
Solvay	2,485	−5	A200	8.1
Traction Elect.	2,660	−25	162	6.4
UCB	944	−4	—	—
Un. Min. (1/10)	708	−2	60	8.5
Vieille Montagne	1,320	−18	100	7.6

SWITZERLAND ●

Feb. 22	Price Frs.	+ or −	Div. %	Yld. %
Aluminium	1,350	−10	6	2.2
BBC 'A'	1,770		10	2.8
Ciba-Geigy (Fr.100)	1,300	−25	22	1.7
Do. Pt. Certs.	980		22	2.2
Do. Reg.	645	−9	22	3.4
Credit Suisse	2,520	−10	16	3.2
Electrowatt	1,800	−15	10	2.8
Fischer (George)	750		5	3.3
Hoffman Pt. Certs	88,500	−500	660	0.6
Do. (Small)	8,800	−25	55	0.6
Interfood B	4,000	−100	20	3.5
Jelmoli (Fr.100)	1,615	−5	21	1.3
Nestle (Fr.100)	3,645	−55	¤85.5	2.3
Do. Reg.	2,350		¤85.5	3.6
Oerlikon-B (F.250)	2,500	+50	15	15.0
Pirelli SIP (F.100)	295	−3	15	5.1
Sandoz (F.250)	4,025	−25	26	1.6
Do. Part Certs.	520	−2	26	2.5
Schindler Cts (F.100)	325	−5	9	1.4
Sulzer Cts (F.100)	381	−6	14	3.7
Swissair (F.350)	860	−4	8.57	3.5
Swiss Bank (F.100)	414	−3	10	2.4
Swiss (Re.F.250)	5,100	−75	40	2.0
Union Bank	3,470		20	2.9
Zurich Ins.	11,900		40	1.7

MILAN

Feb. 22	Price Lire	+ or −	Div. Lire	Yld. %
ANIC	144.75	−5.25	—	—
Bastogi	536	−2	—	—
Fiat	1,980	−15	150	7.6
Do. Priv.	1,595	−16	150	9.4
Finsider	88	−3.75	—	—
Italcementi	11,090	−280	200	1.8
Italsider	142	−2.75	—	—
Mediobanca	31,750	−80	1,200	3.9
Montedison	156	+1.25	—	—
Olivetti Priv.	880	−35	—	—
Pirelli & Co.	2,180	−35	110	5.0
Pirelli Spa	1,043.5	−7.5	80	7.6
Snia Viscosa	626	−28	—	—

AUSTRALIA

Feb. 22	Aust. $	+ or −
ACMIL (25 cents)	†0.70	−0.05
Acrow Australia	†0.86	+0.01
Allied Mnt-Trdg. Indus $1	†2.25	
Ampol Exploration	†1.26	+0.01
Ampol Petroleum	†0.72	
Assoc. Minerals	†0.70	
Assoc. Pulp Paper $1	†1.10	+0.02
Assoc. Con. Industries	†1.56	
Aust. Foundation Invest.	†1.08	
A.N.I.	†1.45	−0.02
Audimco	†0.42	−0.05
Aust. Oil & Gas	†0.35	
Blue Metal Ind.	†0.96	−0.01
Bougainville Copper	†1.05	−0.01
Broken Hill Proprietary	†6.26	
BH South	†0.85	
Carlton United Brewery	†1.85	
C. J. Coles	†1.86	
CSR ($1)	†2.75	+0.04
Cons. Goldfields Aus.	†2.42	−0.05
Container ($1)	†2.00	
Conzinc Riotinto	†1.98	−0.04
Costain Australia	†1.40	−0.02
Dunlop Rubber ($1)	†1.27	−0.02
ESCOR	†1.05	−0.01
Elder Smith	†1.92	+0.02
E.Z. Industries	†1.85	[illegible]
Gen. Property Trust	†1.38	
Hamersley	†2.22	
Hooker	†0.72	
I.C.I. Australia	†2.03	
Inter-Copper	†0.29	
Jennings Industries	†1.27	−0.01
Jones (David)	†1.01	
Leonard Oil	†0.28	
Metals Exploration	†0.15	
MIM Holdings	†1.65	−0.01
Myer Emporium	†1.80	
News	†2.50	
Nicholas International	†0.95	+0.01
North Broken H'dings (50c)	†1.07	−0.02
Oakbridge	†1.76	−0.06
Oil Search	†0.08	
Otter Exploration	†0.17	
Pioneer Concrete	†1.42	−0.03
Reckitt & Colman	†2.60xc	−0.05
H. C. Sleigh	†0.76	
Southland Mining	†0.19	
Spargos ($1)	†1.69	
Waltons	†0.96	
Western Mining (50 cents)	†1.12	+0.01
Woolworths	†1.65	

PARIS

Feb. 22	Price Frs.	+ or −	Div. Frs.	Yld. %
Rente 4½	784	−0.2	4½	0.6
Afrique Occid't'le	315	+8.5	21.15	6.7
Air Liquide	245	−1	16.5	6.7
Aquitaine	319.9	+4.8	24	7.6
BIC	490	−8	12.75	2.6
Bouygues	595	−1	31.55	5.1
B.S.N. Gervais	354	−3	37.5	10.6
Carrefour	1,324	+4	60	4.5
C.G.E.	288	+2	27.5	9.7
C.I.T. Alcatel	864	+24	58.2	6.8
Cie Bancaire	251xc	+3	12	4.8
Club Mediter.	341	+6	6.58	1.9
Credit Com Fr'ce	109	+2	11.1	10.2
Creusot Loire	56.1	+1.5	12	21.4
Dumez	464	+7	16.05	3.5
Fr. Petroles	101.9	+2.9	14.10	13.8
Gen. Occidentale	176	+0.8	8.25	4.6
Imetal	63.7	+2.4	5.25	9.8
Jacques Borel	88	+3.9	—	—
Lafarge	150.8	+1.8	16.77	11.1
L'Oreal	564	+20	15.37	2.9
Legrand	1,295	−5	31.95	2.5
Maisons Phenix	739	−1	39.3	5.4
Michelin "B"	1,111	+11	32.65	3.0
Moet Hennessy	358	+7.1	12.9	3.5
Moulinex	139.3	+1.3	3	2.1
Paribas	157	+1.2	19.85	12.7
Pechiney	75.9	+0.9	7.5	9.7
Pernod Ricard	205.9	−0.7	7.5	3.6
Peugeot Citroen	275	+1.9	15	5.4
Poclain	137	+17	—	—
Radio Technique	340	+4.7	25.5	7.5
Redoute	475	+8	24	5.0
Rhone Poulenc	55.8	+1.6	9	16.4
St. Gobain	127.5	+1.1	13.95	10.7
Skis Rossignol	1,462xd	+62	39	2.5
Suez	222	+1	25.5	11.5
Telemecanique	565	+11	22.75	3.8
Thomson Brandt	141.1	+1.3	15.15	10.7
Usinor	23.2	−1.85	—	—

STOCKHOLM

Feb. 22	Price Krone	+ or −	Div. Kr.	Yld. %
AGA Ab (Kr.40)	183	−2	5.5	3.0
Alfa Laval B (Kr.50)	157		5	3.2
ASEA (Kr.50)	85.5	−1.0	5	5.9
Atlas Copco Kr.25	119	+2	6	5.0
Billerud	78	−1	[illegible]	[illegible]
Bofors	124	+1	5	5.2
Cardo	176xc	−5	10	5.6
Cellulosa	205	−3	10	4.8
Elec'lux 'B' (Kr.50)	130	−1	6.5	4.2
Ericsson 'B' (Kr.50)	142	−3	5	4.4
Esselte "B"	235	−1	8	3.4
Fagersta	88	−6	8	9.0
Granges (Free)	48.0		—	—
Handelsbanken	290		14.97	5.2
Marabou	130	−1	8	6.2
Mo och Domsjo	61	−3	6.5	10.6
Sandvik 'B'	277		9	[illegible]
S.K.F. 'B' Kr.50	73	−1	4.5	6.6
Skand Enskilda	131	−1	8	6.2
Tandstik 'B' (Kr.50)	78.5	−5.5	5	6.5
Uddeholm	45.5		—	—
Volvo (Kr.50)	70.5	−0.5	6	8.6

Dollar declines

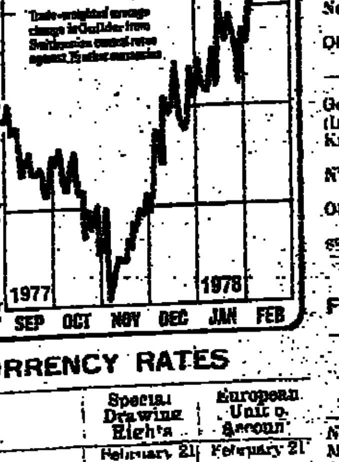
The U.S. dollar was slightly weaker in the foreign exchange market yesterday. Trading was fairly steady, but central banks, including the German Bundesbank and Swiss National Bank probably intervened to support the dollar. The U.S. unit finished at DM2.0385 against the D-mark, compared with DM2.0435 previously, and at Sw.Frs.1.8280 in terms of the Swiss franc, compared with Sw.Frs.1.8380.

The dollar's trade-weighted depreciation since the Washington Currency Agreement of December 1971, as calculated by Morgan Guaranty of New York, widened to 5.27 per cent. from 5.18 per cent. The dollar's index, on Bank of England figures, fell to 90.5 from 90.6.

The pound's trade-weighted index, as calculated by the Bank of England, was unchanged throughout at 63.7.

Sterling opened at $1.9475-1.9490 against the dollar, and touched a high point of $1.9485-1.9495 in the morning. The pound was steady at around $1.9450 at lunch, but fell to $1.9420-1.9430 in the early afternoon. It closed at $1.9475-1.9485, a rise of 30 points on the day.

Gold rose $¾ to $181-181¾. The krugerrand's premium over its gold content rose to 4.48 per cent. from 4.07 per cent. for domestic delivery, and fell to 3.10 per cent. from 3.32 per cent. in the international market.



CURRENCY RATES

	Special Drawing Rights February 21	European Unit of Account February 21
Sterling	0.630041	0.640823
U.S. dollar	1.22480	1.24498
Canadian	1.36896	1.39650
Austria sch.	17.9770	18.3476
Belgian franc	39.1691	39.8143
Danish krone	6.80859	6.99858
Deutschemark	2.50116	2.54599
Dutch guilder	2.70130	2.74515
French franc	5.90078	6.00068
Italian lira	1045.54	1063.28
Japanese yen	291.257	297.011
Norway krone	6.50859	6.64405
Spain peseta	98.4727	100.111
Swedish krone	5.65254	5.75352
Swiss franc	2.24445	2.28601

EXCHANGE CROSS-RATES

Feb. 22	Frankfurt	New York	Paris	Brussels	London	Amst'd'm	Zurich
Frankfurt	—	2.042-.2[illegible]	42.42-52	6.40-41	3.972-4.000	92.90-93.00	111.40-60
New York*	49.03-06	—	20.82-86	3.1346-65	1.9485-9495	46.53-54	54.57-62
Paris	235.59-29	4.8055-8175	—	16.066-100	9.3656-3735	228.61-8.11	262.9-3.4
Brussels	15.59-64	31.84-94	6.61-64	—	61.96-62.12	14.48-55	17.29-46
London	3.97-98	1.9476-85	9.36½-56½	62.01-10	—	4.27½-28½	3.65½-66½
Amst'dam	107.70-75	2.1883-2.007	45.70-.755	6.8905-05	4.2765-2805	—	120.355-565
Zurich	89.810-762	—	38.015-080	5.7374-7475	3.5665-5816	83.035-167	—

U.S. $ in Toronto U.S. $ = 111.73-77 Canadian cents.
Canadian $ in New York = 89.49-51 cents. U.S. $ in Milan 853.49-70.
Sterling in Milan 1659.50-1660.60. *Rates for Feb. 21.

EURO-CURRENCY INTEREST RATES*

Feb. 22	Sterling	Canadian Dollar	U.S. Dollar	Dutch Guilders	Swiss franc	W. German mark
Short term†	n.a.	6¾-7¾	6¾-7	5¼-5½	⅛-¼	3¼-3⅜
7 days notice	n.a.	6¾-7¾	6⅝-7	5¼-5½	⅛-¼	3¼-3⅜
Month	6⅞-7⅛	6⅞-7¼	6½-6¾	5¼-5½	⅛-¼	3-3¼
Three months	7⅞-7½	7-7⅜	7⅛-7⅜	5¼-5½	⅜-⅝	3⅛-3⅜
Six months	8⅛-8⅜	7⅜-7¾	7⅜-7⅝	5⅛-5⅜	¾-⅞	3⅛-3⅜
One year	8⅜-8⅝	7⅝-7⅞	7⅞-8⅛	5¼-5½	1⅛-1⅜	3⅛-3⅜

Euro-French deposit rates: two-day 13½-13¾ per cent.; seven-day 11¼-11¾ per cent.; one-month 13-13½ per cent.; three-month 13½-13¾ per cent.; six-month 12¾-13¼ per cent.; one year 12½-12¾ per cent.

Long-term Eurodollar deposits: two years 8 1/16-8 5/16 per cent.; three years 8½-8¾ per cent.; four years 8½-8⅞ per cent.; five years 8⅝-8⅞ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 6.90-7.00 per cent.; three-month 7.15-7.25 per cent.; six-month 7.45-7.55 per cent.; one-year 7.75-7.85 per cent.

* Rates are nominal calling rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars, two days' notice for guilders and Swiss francs.

GOLD MARKET

	Feb. 22	Feb.
Gold Bullion (a fine ounce)		
Close	$181-181¾	$180¾
Opening	$181½-182¼	$181¼
Morning fixing	$181.90 (£93.358)	$181. (£93.2
Afternoon fixing	$182.25 (£93.169)	$181.4 (£93.3
Gold Coin domestically		
Krugerrand	$188½-190½ (£96¾-97¾)	$187 (£96
New Sov'gns	$58½-60½ (£30-31)	$57 (£29
Old Sov'gns	$60¾-62¾ (£29½-30½)	$6 (£
Gold Coins (Internat'lly)		
Krugerrand	$186-188 (£95½-96½)	$186 (£95
N'w Sov'gns	$57¼-59¼ (£29½-30½)	$57 (£29
Old Sov'gns	$57¼-59¼ (£29¼-30¼)	$56 (£29
$20 Eagles	$284-287	$285

FOREIGN EXCHANGES

Feb. 22	Bank Rate %	Day's spread
New York	6½	1.9420-1.9495
Montreal	7½	2.1650-2.1760
Amsterdam	4½	[illegible]
Brussels	6½	[illegible]
Copenhagen	8	[illegible]
Frankfurt	3	[illegible]
Lisbon	15	[illegible]
Madrid	8	[illegible]
Milan	11½	1,658-1,665
Oslo	6	10.54½-10.58
Paris	9½	[illegible]
Stockholm	8	[illegible]
Tokyo	4¼	466-470
Vienna	5½	[illegible]
Zurich	1½	3.54-3.57½

† Rates given are for convertible francs. Financial franc 61.95-62.15.

OTHER MARKETS

Argentina	1500-1504
Australia	1.7030-1.7174
Brazil	31.48-32.48
Finland	8.10-8.16
Greece	[illegible]
Hong Kong	[illegible]
Iran	132-139
Kuwait	[illegible]
Luxemb'rg	62.00-62.10
Malaysia	[illegible]
N. Zealand	[illegible]
Saudi Arab.	6.67-6.77
Singapore	4.60½-4.61½
S. Africa	[illegible]
U.S.	
Canada	
CSI	
U.S. cents	[illegible]

Rate given for Argentina is a

FORWARD RATES

	One month
New York	0.10 c.pm-par
Montreal	par-0.10c. dis
Amst'dam	[illegible]
Brussels	[illegible]
Cop'nhgn	[illegible]
Frankfurt	[illegible]
Lisbon	[illegible]
Madrid	[illegible]
Milan	[illegible]
Oslo	[illegible]
Paris	[illegible]
St'kho'm	[illegible]
Vienna	[illegible]
Zurich	[illegible]

Six-month forward dollar [illegible]
12-month [illegible]

BRAZIL

Feb. 22	Price Cruz.	+ or −
[illegible]	1.99	+0.05
Banco Bras. PP	1.06	+0.01
[illegible]	1.84	+0.04
Lojas Amer. OP	3.22	+0.02
Petrobras PP	3.56	−0.11
Pirelli OP	2.38	+0.15
Souza Cruz OP	4.02	−0.03
Unip PE	6.03	+0.03
Vale Rio Doce PP	1.22	+0.02

Vol. Cr.144.0m. Shares
Source: Rio de Janeiro

OSLO

Feb. 22	Price Kroner	+ or −
Bergen Bank	92.5	+0.5
Borregaard	66.75	[illegible]
Creditbank	107	
Kosmos	312.5	−2.5
Kreditkassen	107.5	
Norsk Hydro	184.5	+1.5
Storebrand	87.50	[illegible]

JOHANNESBURG

MINES

Feb. 22

Anglo American Corpn.
Charter Consolidated
East Driefontein
Elsburg
Harmony
Kinross
Kloof
Rustenburg Platinum
St. Helena
South Vaal
Gold Fields SA
Union Corporation
De Beers Deferred
Blyvooruitzicht
East Rand Pty.
Free State Geduld
President Brand
President Steyn
Stilfontein
Welkom
West Driefontein
Western Holdings
Western Deep

INDUSTRIALS

AECI
Anglo-Amer. Industrial
Barlow Rand
CNA Investments
Currie Finance
De Beers Industrial
Edgars Consld. Inv.
Edgars Stores
Ever Ready SA
Federale Volksbel.
Greatermans Stores
Guardian Assurance (SA)
Huletts
LTA
McCarthy Rodway
NedBank
OK Bazaars
Premier Milling
Pretoria Cement
Protea Holdings
Rand Mines Properties
Rembrandt Group
Retco
Sage Holdings
C. G. Smith Sugar
Sorec
SA Breweries
Tiger Oats and Natl. Mlg.
Unisec

Securities Rand U.S.$0.
(Discount of

SPAIN ♥

February 22

Asland
Banco Bilbao
Banco Atlantico
Banco Central
Banco Exterior
Banco General
Banco Granada
Banco Hispano
Banco Ind. Cat.
B. Ind. Mediterraneo
Banco Popular
Banco Santander
Banco Urquijo
Banco Vizcaya
Banco Zaragozano
Bankunion
Banus Andalucia
Babcock Wilcox
CIC
Dragados
E. I. Aragonesas
Espanola Zinc
Expl. Rio Tinto
Fecsa
Fenosa
Gal. Preciados
Gruco Velazquez
Hidrola
Iberduero
Olarra
Papeleras Reunidas
Petroliber
Petroleos
Sarrio Papelera
Sniace
Sogefisa
Telefonica
Torras Hostench
Tubacex
Union Elec.

Farm census shows fall in pig and cattle herds

BY CHRISTOPHER PARKES

THE TOTAL NUMBER of cattle in England and Wales, counted at the annual December census, was at its lowest level since 1971. The pig breeding herd also continued its decline, and although there were more egg-laying chickens on farms than a year earlier, numbers of broilers, breeding stock and young birds were also down.

Arable farmers on the other hand, saw the new season get off to a flying start. Almost ideal sowing conditions during the autumn enabled them to plant 1.16m. hectares with winter wheat by December 1—228,000 hectares *more than at the same time in* the previous cereal year.

Mr. John Silkin, Minister of Agriculture, expects the total area down to grain this year to be more than last season when the harvest produced a record crop.

Commenting on the results of the census, Mr. Silkin claimed yesterday that it showed farming in Britain was beginning to expand again.

"The livestock industry's position will be strengthened as the effects of the green pound devaluation work through into farmers' incomes over the next few months," he said.

"The dairy herd is being maintained," he said. More dairy heifers were being kept on the farm for use in the milking herd, and the sheep breeding flock was expanding even though the effects of the winter in Scotland and the South West still had to be assessed. There are fears that many ewes and lambs have been lost in the recent storms.

The total of cattle and calves was 9.805m. head, 1 per cent. less than last year, and the lowest since December, 1971, when the census revealed a herd of only 9.355m. In 1973, when the U.K. joined the European Community, the total was 10.611m.

Compared with December, 1976, the estimated number of cattle in the national breeding herd was down by 77,000 head or 2.1 per cent. But the size of the dairy herd as a whole was almost unchanged. The census showed clearly that almost the whole of the decrease in numbers had occurred in the beef herd, which was down 8 per cent.

The number of dairy type heifers pregnant for the first time, rose 1.3 per cent. over the year, while the number of young beef heifers fell by 17 per cent.

The heavy exports of calves—mainly Friesians going to France—showed up clearly in the Ministry's report on the census. The number of calves under one-year-old fell by 143,000 or 5.5 per cent.

The total breeding herd of pigs was 10,000 smaller than at the last count in September, and 63,000 down on the year. The number of young female pigs pregnant for the first time was 14 per cent. down on the year but appeared to stabilise during the last quarter of the year.

Reflecting the growing interest in the profits to be made from sheep, the census showed that the total number of ewe lambs held back from slaughter and kept on for breeding was 10 per cent. higher than a year earlier.

● Sir Henry Plumb, President of the National Farmers' Union, said yesterday he would ask for an early meeting with the Ministry of Agriculture to discuss ways of helping farmers hit by blizzards last week-end.

"It is impossible to make even a preliminary assessment of losses but they will be great, and for some farmers disastrous," Sir Henry said.

"I hope the Government will give urgent and sympathetic consideration to the contribution which it, and our EEC partners, may be able to make to recovery. I shall be approaching the Ministry of Agriculture immediately."

The NFU has set up its own emergency committee to co-ordinate efforts nationally and locally to help farmers in the worst-hit areas.

Drought blow to Brazil coffee

BY SUE BRANFORD — SAO PAULO, Feb. 21.

LACK OF rain and the excessive heat "may lead to a 40 per cent. cutback in the state of Sao Paulo's coffee harvest this year. The bad weather is making the seeds inside the beans decay in a most alarming fashion."

This statement was made by Jose Ari Morales Agudo, president of the Technical Coffee Commission in the Sao Paulo State Agricultural Federation. In real terms, a reduction of this magnitude would mean a fall from 8.2m. bags to 4.9m. bags (one bag equals 60 kilos).

At the same time, the Parana State Agricultural Department has predicted a 20 per cent. cutback in its coffee production, from 5.5m. bags to 4.4m. bags. This reduction has also been caused by poor weather, particularly the recent drought.

These figures are first estimates and may well prove to be exaggerated. The Brazilian Coffee Institute is at present assessing the damage and its estimates are likely to be released at the beginning of next week. Angelo Calmon de Sa, Industry and Commerce Minister, is not hiding his optimism that the present difficulties may bring coffee prices bouncing back to last year's levels.

Farmers in Sao Paulo explain that the drought has affected most seriously the regions of Alta Paulista and Alta Araraquarense — the leading coffee-growing areas. Although it has been raining every day in the State capital, as is normal at this time of the year, these regions, quite unusually, have been suffering from a drought for the past three weeks.

At first the farmers believed that they were facing a new disease. For the beans appear healthy on the outside and are seen to be rotten only when cut open. Scientists at the State Biological Institute explain, however, that the internal decay is a result of a moisture shortage combined with high air temperatures.

Although no one here denies that this year's coffee crop has suffered serious damage from recent weather conditions, many traders are sceptical that the reduction in the Sao Paulo harvest will reach the 40 per cent. announced earlier this week by the Sao Paulo Agricultural Federation.

These traders say that this degree of damage would have occurred only if the drought had continued. At the moment, it has just started raining in the interior of the states of Sao Paulo and Parana.

If this rain continues, the coffee bushes will make a rapid recovery. In all, they estimate that the recent combined problems of drought, excessive heat and disease will have led to a 15-20 per cent. reduction in the harvest.

Many traders believed that the Brazilian Coffee Institute's first estimate of 20.7m. bags for this year's harvest was unduly conservative.

They claim that 23-24m. bags would have been a truer figure. Using this estimate as a basis, they are now talking of a harvest of 18-19m. bags.

'Cheap' sale hits world sugar price

By Our Commodities Staff

WORLD SUGAR prices fell sharply yesterday afternoon in response to trade reports of cheap white sugar sales to Egypt and signs that demand for EEC white sugar was declining.

Prices had been boosted earlier in the day by a forecast from the chairman of the French sugar company, Sucres et Denrées, that Russia might need to buy 1m. tonnes of sugar on the world market this year, but by the close the May futures position on the London market was £2.55 lower at £113.675 a tonne. The London daily raw sugar price was unchanged at £107 a tonne.

In Brussels the EEC Commission authorised sales of 43,200 tonnes of white sugar and 25,000 tonnes of raws. The white sugar allotment compared with 50,150 last week and the maximum export rebate raised to 22.365 units of account against 21.75.

London coffee futures prices also fell sharply in late trading yesterday. Dealers attributed the fall, which left May coffee £58.5 lower at £1,504.5 a tonne, to "tired liquidation, chart and *stop-loss selling*" induced by a lower New York market.

Last night's closing price was the lowest for 18 months.

Call to keep futures body

WASHINGTON, Feb. 22.

MR. ELMER STAATS, U.S. Comptroller General, said here that the general accounting office which he runs favoured legislation to extend the life of the Commodity Futures Trading Commission (CFTC).

He told a Senate Agriculture sub-committee that the CFTC needs a bigger budget and more staff to do its job properly.

The committee is considering extending the Commission's life, which in the absence of new legislation will expire on September 30.

Mr. Staats, head of Congress' investigative accounting arm, was the first witness at hearings which are expected to continue in mid-March with testimony from CFTC commissioners and *spokesmen for the futures business.*

The CFTC itself this week urged Congress to extend its life for six years, and expressed support for a Bill which would suspend trading in London and dealer commodity options.

DANISH BACON PLANS

Another ticking off for U.K. curers

BY CHRISTOPHER PARKES

ONLY 24 HOURS after the Price Commission gave Britain's "poorly organised and inefficient" bacon industry a public roasting, and warned that the Danes looked set to take over an even bigger share of the U.K. market, Denmark's main agents in Britain released a fresh welter of facts and propaganda yesterday about their achievements and their ambitions here.

Mr. Svend Bernsen, managing director of Ess-Food (U.K.), indignant at recent threats from British bacon producers bracing themselves to "throw the Danes back into the North Sea," said again that since Danish exporters were largely responsible for creating the British bacon market, they had no intention of allowing themselves to be bullied out of it.

He made it plain that in spite of the publicity given to the supposed advantages offered by monetary compensatory amounts, the Danes had not been having an easy time in the British market.

"In fact, our bacon market share fell from 47.6 per cent. in 1975 to 43 per cent. in 1976 with only a marginal increase to 43.6 per cent. in 1977," he said.

He boasted that the Danes had set a uniform standard of quality recognised throughout the bacon trade. Ess-Food had invested £13m. in containers, provided technical advice on all aspects of bacon handling, set the pace with sales promotion "which far exceeds anything being done by our competitors"—and all to ensure that as well as selling Danish brands, bacon remained a popular foodstuff.

Since so much had been invested here, since a third of the pigs produced in Denmark were eaten in the U.K., and since so much care had been taken in nurturing the British market—especially helping it survive the shocks of the early 1970s when prices more than doubled in three years—Mr. Bernsen took a prim, injured attitude towards the tactics of the competition.

"One of our problems has been what I would call 'lack of discipline' from our competitors. Only too often do we find discounts of £100 a ton or more being offered on other nationalities' bacon, which makes a nonsense of the pricing system and reflects a complete lack of market discipline," he said.

(Interestingly, the Price Commission was unable to find any evidence of price cutting "except for the disposal of excess stock.")

For the future, Mr. Bernsen foresaw more bacon shipments to Britain, and in the meantime his company was aiming to send more fresh meat. Last year Britain imported more than 20,000 tonnes of Danish pork and beef. Later this year Ess-Food will begin to ship a range of deep-frozen meat products in retail and catering packs.

Mr. Bernsen concluded: "Our whole industry depends on Britain as a customer. We are here to stay in spite of any wishful thinking."

This year, the company plans to spend £1.25m. promoting Danish bacon in Britain. Its Copenhagen-based parent company handled more than 60 per cent. of the pigs slaughtered in Denmark last year, and in 1976-1977 financial year, turned over almost £400m., a figure which makes it the country's leading exporter.

About £255m. of total sales was earned in Britain with the balance coming from another 51 countries of which the largest were Japan, West Germany, France and Italy.

Mr. Dyrlov Madsen, managing director of the Copenhagen end of the business, stressed the main strength of the Danish industry—co-operation from top to bottom. Almost 84,000 pig farmers in the country supply raw materials to 25 bacon curers.

In Britain the industry is more fragmented. There are 250 curers, many employing outmoded methods in ramshackle factories, and Mr. Bernsen saw this as the root of all the evils afflicting the British bacon business.

First, he said, Government aids granted in the past for modernising factories had in many cases been frittered away. The quality of bacon going under the "British" label was damagingly variable, marketing was simply "bad" and the industry was simply not geared up to act in a co-operative fashion.

For example, when cyclical crisis starts to harm the pigmeat market, the Danes act promptly and in concert to take up all available aids offered by the EEC Commission. Usually when there is a glut Brussels offers subsidies to slaughterhouses willing to store pigmeat for four to six months.

In this way, pressures are quickly relieved and normally little damage is done. In Britain, on the other hand, response to offers of help from the EEC is scattered, unco-ordinated, and always unenthusiastic.

PIG KILLINGS in Denmark last year were up 3.2 per cent. at 10.7m. head. This year, according to a census taken last month, slaughterings will exceed 11m. head, with much of the increase coming towards the end of the year. Between now and September pigmeat production is expected to run below last year's level.

The number of young female pigs in the breeding business has gone up by 14,000 head since the last census in September, 1977. The number of other sows in pig has risen by 2,000.

Total pig herd in January was 8,234,000 head compared with 8,290,000 a month earlier.

Lower EEC grain import levy urged

THE U.S. should seek limits on usage of the European variable import levy system and strive for long-term grain agreements with foreign nations, Richard Bell former assistant U.S. Agriculture Department Secretary, recommended.

Mr. Bell, now executive vice-president for Riceland Foods, told Missouri Young Farmers association it was essential for the U.S. to get improved access to the EEC grain market at the current International Wheat Agreement talks in Geneva.

Mr. Bell called for one limit to be placed on the use, and ultimate size, of the EEC variable levy on grain imports.

The levy on U.S. corn (maize) at $2.70 a bushel, compared with the average price received by U.S. farmers last month of $1.93, he pointed out. He added that "an international commodity agreement which legitimises the European variable import levy would be worse than no agreement at all."

He also urged the U.S. to consider private agricultural export agreements with key developing countries, such as Iran and Nigeria.

Reuter

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

U.S. Comex was lower and the close on the Kerb in London was £840. Turnover, 16,075 tonnes.

WOOL FUTURES

LONDON—The market was about unchanged in light trading. Bache reported. (Pence per kilo)

RUBBER

MEAT/VEGETABLES

SOYABEAN MEAL

COCOA

SILVER

SUGAR

COFFEE

GRAINS

JUTE

VEGETABLE OILS

PRICE CHANGES

Prices per tonne unless otherwise stated.

INDICES

FINANCIAL TIMES

REUTER'S

DOW JONES

MOODY'S

U.S. Markets

Soyabeans and metals move higher

NEW YORK, Feb. 21.

PRECIOUS METALS finished strong on continued weakness of the U.S. dollar with Commission-house buying. Copper ended higher on speculative short-covering following the introduction of additional stockpiling legislation in Congress. Coffee closed higher on trade buying. Soyabeans were firm on rumours of Soviet purchases from Brazil, Bache reports.

Cocoa—March 132.35 (133.25), May 128.56 (124.00), July 120.50, Sept. 119.00, Dec. 116.00, March 114.85, May 113.30, July 111.75 setts. Sales, 514 lots.

Coffee—"C" Contract: March 191.00 (188.25), May 169.75 (166.23), July 158.00-158.40, Sept. 152.00-152.50, Dec. 136.83 bid, March 132.75, May 127.00-126.51, July 126.50. Sales 556.

Copper—Feb. 57.20 (56.80), March 57.40 (56.60), March 57.40 (57.00), April 57.90, May 58.50, July 59.50, Sept. 60.50, Dec. 62.00, Jan. 62.50, March 63.50, May 64.50, July 65.50, Sept. 66.50, Dec. 65.00 setts. Sales, 5,700 lots.

Cotton—No. 2: March 55.15 (54.65), May 56.60-56.65 (56.10), July 57.80-57.85, Oct. 58.75, Dec. 59.05-59.25, March 60.20-60.25, May 60.50-61.00, July 60.70-61.50. Sales, 505,000 bales.

***Gold**—Feb. 181.50 (179.70), March 181.90 (180.00), April 183.00, June 185.70, Aug. 188.40, Oct. 191.10, Dec. 193.80, Feb. 196.60, April 199.50, June 202.50, Aug. 205.30, Oct. 208.50, Dec. 211.50 setts. Sales, 9,000 lots.

†**Lard**—Chicago loose 20.75 (same). New York prime steam 22.25 traded (22.25 nom.).

‡**Maize**—March 226½-226¾ (226½), May 230½-230¼ (230½), July 230-229¾, Sept. 227¼, Dec. 226¾-226½, March 234½.

§**Platinum**—April 236.00-236.80 (233.70), July 239.80-240.90 (237.90), Oct. 243.50-244.70, Jan. 247.90-245.10, April 251.90-252.10, July 256.10-256.30. Sales, 1,940 lots.

¶**Silver**—Feb. 503.80 (500.90), March 504.00 (501.50), April 507.70, May 511.30, July 518.80, Sept. 526.30, Dec. 538.00, Jan. 541.80, March 549.60, May 557.40, July 565.50, Sept. 573.20, Dec. 585.10 setts. Sales, 1,000 lots. Handy and Harman (spot bullion) 503.50 (500.60).

Soyabeans—March 582-580½ (578½), May 589-588 (579½), July 593-594½, Aug. 594, Sept. 587, Nov. 585½-586, Jan. 592½-593, March 598.

‖**Soyabean Meal**—March 153.40-153.20 (149.90), May 157.20-156.90 (153.10), July 159.20-159.00, Aug. 160.00-160.50, Sept. 159.80, Oct. 158.20-158.80, Dec. 160.30, Jan. 161.50-162.50, March 164.00-165.00.

Soyabean Oil—March 21.66-21.70 (21.29), May 21.50-21.55 (21.13), July 21.40-21.35, Aug. 21.35-21.25, Sept. 21.00, Oct. 20.50, Dec. 20.45-20.50, Jan. 20.45, March 20.45-20.50.

Sugar—No. 11: March 8.73-8.76 (8.69), May 9.11-9.14 (9.08), July 9.36-9.38, Sept. 9.56, Oct. 9.67, Jan. 10.15 nom., March 10.37, May 10.53-10.60, July 10.60-10.70. Sales, 3,298.

Tin—557.00-559.00 asked (556.50 asked).

****Wheat**—March 264½-264¼ (265½), May 268½-268¾ (268½), July 270½-270¼, Sept. 275¼, Dec. 282½-282¼, March 289.

WINNIPEG, Feb. 21. ††**Rye**—May 107.60 bid (108.50 bid), July 105.00 bid (105.90 asked), Oct. 106.50 bid, Nov. 106.20 asked.

††**Oats**—May 75.90 bid (75.80 bid), July 73.60 bid (73.70 asked), Oct. 72.00 bid.

‡‡**Barley**—May 79.00 bid (78.30), July 75.30 bid (77.80 asked), Oct. 77.80 bid.

§§**Flaxseed**—May 216.50 (215.00 bid), July 217.90 bid (216.00), Oct. 223.00, Nov. 224.00 asked.

¶¶**Wheat**—SCWRS 13.5 per cent. protein content cif St. Lawrence 152.39 (153.31).

All cents per pound ex-warehouse unless otherwise stated. * $s per troy ounces—100 ounce lots. † Chicago loose $s per 100 lbs—Dept. of Ag. prices previous day. Prime Steam f.o.b. NY bulk tank cars. ‡ Cents per 56 lb bushel ex-warehouse, 5,000 bushel lots. § $s per troy ounce for 50 ounce units of 99.9 per cent. purity delivered NY. ¶ Cents per troy ounce ex-warehouse. ‖ New "B" contract in $s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. ** Cents per 60 lb bushel in store. †† Cents per 24 lb bushel. ‡‡ Cents per 48 lb bushel ex-warehouse. §§ Cents per 56 lb bushel ex-warehouse, 1,000 bushel lots. ¶¶ $C per tonne.

STOCK EXCHANGE REPORT

Index in new low ground since August of last year

GKN weak on Sachs verdict—Other leaders dull awaiting ICI

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Jan. 30	Feb. 9	Feb. 10	Feb. 21
Feb. 13	Feb. 23	Feb. 24	Mar. 7
Feb. 27	Mar. 9	Mar. 10	Mar. 21

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Seemingly headed for the quietest trading week so far this year, equity stock markets generally remained on the downtrack yesterday with recent concern about the gloomy economic outlook deepened by the Prime Minister's warning that Western industrialised countries could face a wave of protectionism in the next few months.

British Funds, however, held relatively steady after Tuesday's late reaction; sentiment in the long-dated maturities was overshadowed awaiting the clearance of next Monday's final call of 65 per cent. on the tap Exchequer 10½ per cent. 1995 which was last operative about a fortnight ago at 26½, the £30 paid stock closed at 25¼ yesterday.

Leading equities got off to a poor start under the influence of GKN which dropped to 262p before ending 12 down at 265p on the surprise rejection by the German Supreme Court of the group's £36m. bid for 50 per cent more of the Sachs concern. Losses in other constituents of the FT 30-share index only rarely exceeded a couple of pence awaiting ICI's fourth-quarter figures to-day, but the continued dearth of buyers left prices drifting off to a day's low in the index of 448.4 at 1 p.m. before a technical rally left a close of 4.7 down at 449.9; GKN accounted for about 0.6 of the day's loss, and yesterday's index close, the lowest since August 1 is 18 per cent. below the all-time peak recorded last September.

The falls/rises ratio in FT-quoted industrials widened further to 13:2 against 9:5 on Tuesday and the FT-Actuaries three main indices were all about 1 per cent down with the All-share at 197.05, its lowest since August 4. Press reports that a shipping concern had applied for Government support further unsettled the sub-sector which was 1.9 per cent. off at 421.91.

Official markings picked up on the three previous days but, at 5,227, were still well below the recent daily average.

Gilts divergent

The Government's warning to the banks about their building up of eligible liabilities countered the adverse influence of possible world trade protectionist moves and gilt-edged began at around the lower levels of the previous evening. This meant that the longer maturities were some ½ to ⅜ down, while the shorts were a maximum of ¼ lower, but from there on the market pursued diverse trends. The shorts rallied in a thin trade until just before and after the official close which eventually transformed the losses into gains extending to ⅛, but the longs eased a shade further before steadying, partly in sympathy with the nearer issues. Next Monday's call on the long tap Exchequer 10½ per cent. 1995 was considered an inhibiting factor at this end of the market. Corporations preferred to follow the forward move in shorter-dated funds and staged various improvements ranging to ⅜, while Southern Rhodesian bonds were undismayed by reports that the constitutional issue was not yet settled and hardened a point, the 2½ per cent. ending at £64.

Conditions became less active in the investment currency market and a firm early trend, with rates up to 83½ per cent., was not held. Throughout most of the afternoon the premium drifted lower and at the close it was around 82½ per cent. for a loss of a half-point on balance. Yesterday's S.E. conversion factor was 0.7304 (0.7289).

Barclays lower

In front of to-day's preliminary results, Barclays softened 2 to 308p among quiet Home Banks. Lloyds cheapened 3 to 262p and NatWest, results due next Tuesday, eased 2 to 263p. Midland closed the turn down at 332p. Discounts gave ground in places: Union shed 10 to 410p and Cater Ryder declined 6 to 272p, but Gillett Bros. showed resilience and touched 230p on the results before closing unaltered at 227p. Dull Merchant Banks had Schroders 20 off at 385p in a thin market and Hambros 7 easier at 171p.

The volume of business in Composite Insurances again left much to be desired. Prices drifted lower with Royals notable for a fall of 7 at 366p; the annual results are due next Thursday. Commercial Union, which report preliminary figures next Monday, were 3 off at 140p. Sun Alliance shed 8 to 536p and General Accident 4 to 204p.

Breweries drifted gently lower under the leadership of A. Guinness, 4 easier at 163p, and Allied, 2 cheaper at 79p. Distilleries fluctuated narrowly and closed with little alteration.

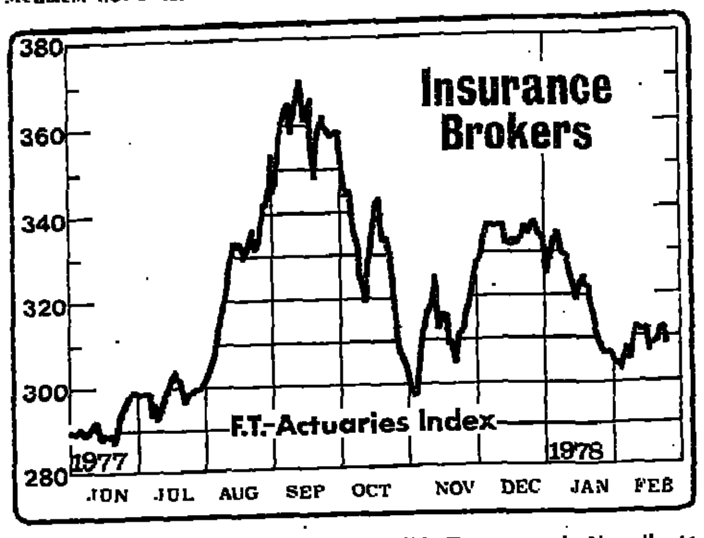
Buildings drifted lower on lack of buying interest. Richard Costain, 256p, and BPB Industries, 218p, gave up 6 apiece, while Barratt Developments shed 5 to 105p as did Ibstock Johnsen to 133p. Taylor Woodrow cheapened 4 to 256p and Tarmac were a similar amount lower at 128p. By way of contrast, Feb International edged forward 1½ to 23p.

In front of to-day's preliminary figures, ICI eased the turn to 340p, after 338p. Elsewhere in Chemicals, Hickson and Welch lost 23 to 500p in a thin market.

H. Wigfall dull

Henry Wigfall stood out in Electricals, falling 10 to 214p for a two-day loss of 14 on disappointment that Comet Radiovision (unchanged at 112p) had not increased its offer when extending the acceptance date to March 7. MK Electric eased 4 to 160p, while EMI, 167p, and GEC, 251p, gave up 2 and 3 respectively. Crellon were out of favour at 26p, down 2, while other dull spots included Forward Technology, 3 easier at 103p, and Racal Electronics, 4 cheaper at 202p.

Leading Stores failed to arouse much interest and drifted gently lower. House of Fraser shed 3 to 130p and Burton A cheapened 2 to 109p, while Marks and Spencer and UDS softened a penny to 140p and 83p respectively. Elsewhere, Jewellery concerns also lacked support with Ratners, 99p, and H. Samuel A, 260p, both receding 4 and James Walker Goldsmith losing 2 to 80p. Dixons Photographic came on offer at 141p, down 4, and Forminster were a like amount easier at 124p. Following its acquisition of a 20 per cent. stake in Sekers International, Vantona declined 5 to 121p. John Menzies, however, rose 7 to 313p for a two-day gain of 25, on further consideration of the capital proposals and accompanying dividend and profits forecasts.



GKN, 12 down at 265p, after 262p, reflected acute disappointment with the German Supreme Court's decision to reject the group's bid for 50 per cent. more of the shares in the Sachs Group, of which it already owns just under a quarter. Elsewhere among the Engineering majors, Hawker declined 4 to 180p and John Brown cheapened 2 to 291p as did Vickers, to 178p. Secondary casualties included Staveley Industries, 4 off at 228p, and Butterfield Harvey and Baker Perkins, both of which lost 3 to 63p and 90p respectively. Johnson and Firth Brown cheapened a penny to 60p in front of to-day's first-half figures and Peter Brotherhood gave up a similar amount to 117p on further consideration of the setback in half-yearly profits. Dartmouth Investments, however, moved up 2 to 18½p with the help of investment comment and W. E. Norton edged forward a penny to 32p for a similar reason.

After recent nervousness on concern with the Price Commission's demands for immediate cuts in the price of tea, Brooke Bond finished without alteration at 45½p, while J. Lyons closed a penny easier at 95p and Cadbury Schweppes were a shade off at 52½p: the last-mentioned has announced plans for a major expansion of its U.S. operations through the acquisition of Peter Paul, the U.S. confectionery manufacturer. Elsewhere in Foods, J. Bibby fell 9 to 196p as bid hopes faded. Bishop's Stores, another recent speculative favourite, came on offer and declined 8 to 162p.

Publicity failed to generate much activity in Ladbroke which closed 3 cheaper at 174p, while Norfolk Capital lost a like amount at 38p following the chairman's annual report. Trust Houses Forte were also dull at 176p, down 6.

Johnson Matthey weak

Down 2½ the previous day on the chairman's warning that the group will not maintain the earnings growth of recent years, BOC International took a further turn for the worst following the near-35 per cent. contraction in first-quarter profits and closing a fresh 1½ lower at 63p, after 62½p. Other miscellaneous industrial leaders drifted gently lower on lack of support with buyers remaining on the sidelines, seemingly unwilling to commit themselves until ICI's fourth-quarter profits performance is revealed to-day. Boots gave up 4 to 192p, as did Turner and Newall, to 203p: the latter's annual results are due next Thursday. Elsewhere, Johnson Matthey became a late dull feature, falling 32 to 415p on disappointment with the third-quarter profits which fell £1m. short of estimates. Westminster and Country Properties cheapened a penny to 14½p on the poor interim performance, while Hoover, which report annual figures to-day, shed 3 to 327p. Still reflecting reports that the increased import cost of glass containers last year amounted to £6m., Rockware eased to 104p, before closing a further penny down on balance at 107p. Redfearn National Glass turned 8 lower to 288p in sympathy. Ropner, 37p, and the A, 33p, lost 4 and 3 respectively, while Powell Duffryn shed 6 to 160p and European Ferries declined 4 to 104p.

Motors and Distributors recorded a fairly lengthy list of modest falls. ERF shed 6 to 113p, while losses of 3 were seen in Associated Engineering, 116p, and York Trailer, 60p. Lucas Industries were noteworthy for a reaction of 4 to 259p. Godfrey Davis eased 1½ to 82½p, while other casualties included Henlys, 115½p, Kenning, 73½p, and Plaxtons (Scarborough), 64p, all around 2 cheaper. British Leyland held at 23p: sentiment was helped by reports that the group had achieved a dramatic recovery in sales in the first three weeks of this month.

Among Newspapers and kindred issues, recent speculative favourite Associated Book Publishers met with sporadic profit-taking and gave up 5 to 188p, while North Sea oil-orientated issues Associated, 144p, and Daily Mail A, 295p, declined 4 and 5 respectively.

Secondary Properties displayed widespread minor losses but the leaders swayed in either direction before settling with little change on balance. Land Securities closed the turn easier at 207p, after 205p, while MEPC ended unaltered at 118p and Stock Conversion 2 down at 240p, after 238p. Reflecting the reduced midway deficit, British Land remained at 33½p, but Daejan, despite the forecast of increased profits, were a shade off at 71½p. Also cheaper were Haslemere Estates, 231p, and Brixton Estates, 86p, with falls of 4 apiece, while Apex shed 3 to 220p on the Board's estimate of slightly lower revenue for the year. Slough Estates and Property Security gave up 3 to 113p and 132p respectively.

BP touch 1977-78 low

Wall Street influences niggled at British Petroleum which slipped to a 1977-78 low of 750p before closing marginally steadier at 752p, down 6; optimism about the completion of its first Buchan Field well provided no help to BP but encouraged sporadic support of smaller North Sea hopefuls such as Gas and Oil Acreage, up 5 at 100p, and Cluff, which put on 13 to 425p. Shell figured prominently in the day's active stocks list but reacted to 494p prior to settling a net 2 off at 498p. Elsewhere, Ultramar became an unwilling market in the face of only modest selling and lost 8 to 212p, while Oil Exploration gave up 6 at 222p and Siebens (U.K.) 4 to 262p. Lasmo, which has commenced drilling of a second well on North Sea Block 23/27, cheapened 4 to 136p and the "OPS" moved down 6 to 328p.

Still partially reflecting the planned redundancies at its Dunford and Elliott steel-making subsidiary, Lonrho eased 3 to 72p. Other Overseas Traders to lose ground included Ocean Wilsons, 3 off at 74p, and S. and W. Berisford, 6 cheaper at 199p.

Capital issues were notably dull in otherwise little-changed Investment Trusts. Dualvest fell 8 to 172p, while losses of around 4 were seen in Altifund, 134p, and Derby Trust, 144p. In Financials, Challenge Corporation were marked down 4 to 109p late on disappointment with the interim figures. Fashion and General remained dull, losing 4 to 140p for a two-day loss of 10. London Merchant shed 3 to 74p, but small buying in a thin market left Kakuzi 5 better at 90p.

Shippings spent a quieter but still dull session following the previous day's activity generated by vague rumours that a shipper had run into financial difficulties and was seeking Government aid. Furness Withy shed 4 to 274p for a two-day loss of 17. P & O Deferred slipped below par with a reaction of 2 to 99p, while Reardon Smith fell 6 to 107p and Manchester Liners 10 to 230p.

Carrington Viyella held at 39p; sentiment was helped by the preliminary figures which was at the top of the range of market estimates. Radley Fashions edged forward 1½ to 49p, after 50p, in response to increased earnings. Other Textiles had an easier bias. Nottingham Manufacturing eased 2 to 108p, while Dawson International A, 105p, and Youghal, 40p, both closed 3 cheaper.

In Tobaccos, BAT Industries Deferred were actively traded before closing at the overnight level of 245p.

Plantation Holdings closed 1½ easier at 68p on some disappointment with the results. The Rubber section was otherwise neglected.

Golds easier

Despite a marginally firmer bullion price, Cape selling caused modest falls in South African Golds. The Gold Mines index gave up 2.1 more to 137.9, while the metal price closed 25 cents up at $181.375 per ounce.

Golds opened on a steady note and improved fractionally on modest local interest. But as Cape offerings came into the market, prices turned easier and were not helped by a lack of U.S. support in the afternoon.

Heavyweights fell by up to ½ with West Driefontein and Western Holdings that amount off at £18⅞ and £16⅞ respectively.

Of the marginals, Durban Deep dropped 17 to 387p and Grootvlei 6 to 140p.

Platinums were also affected by persistent Cape selling. News that Impala Platinum is not considering increasing its producer price at present further weakened the market. Rustenburg dropped 5 to 87p, Lydenburg the same amount to 59p and Bishopsgate 3 to 77p.

De Beers were active in South African Financials; further local and U.S. buying lifted the shares 4 more to a 1977-78 high of 323p in front of the 1977 results, which are expected early next month. Anglo American Corporation, with interim results due to-day, remained unaltered at 273p.

Australians tended to drift in subdued trading, reflecting the continuing weakness of overnight domestic markets.

Oakbridge gave up 5 to 142p despite the increased interim dividend and higher profits. On the other hand, Consolidated Gold Fields Australia advanced a similar amount to 200p in response to the return to profitability. Among Coppers, Messina dropped another 4 to a 1977-78 low of 74p.

FINANCIAL TIMES STOCK INDICES

	Feb. 22	Feb. 21	Feb. 20	Feb. 17	Feb. 16	Feb. 15	A year ago
Government Secs.	74.73	74.97	74.73	74.66	74.71	74.11	[illegible]
Fixed Interest	77.81	77.81	77.72	77.65	77.44	[illegible]	[illegible]
Industrial Ordinary	449.9	454.6	458.0	459.8	465.0	465.6	[illegible]
Gold Mines	137.9	140.0	140.2	157.1	[illegible]	[illegible]	[illegible]
Ord. Div. Yield	5.94	5.89	5.85	[illegible]	[illegible]	[illegible]	[illegible]
Earnings Y'ld % (full)	17.84	17.65	17.63	17.79	17.56	[illegible]	[illegible]
P/E Ratio (net) (*)	7.90	7.98	7.98	[illegible]	[illegible]	[illegible]	[illegible]
Dealings marked	5,227	4,787	4,804	4,866	5,577	[illegible]	[illegible]
Equity turnover £m.	—	52.14	46.06	55.09	[illegible]	[illegible]	[illegible]
Equity bargains total	—	11,549	10,187	11,569	14,569	[illegible]	[illegible]

10 a.m. 451.6. 11 a.m. 451.3. Noon 449.1. 1 p.m. 448.4. 2 p.m. 448.8. 3 p.m. 449.3.
Latest Index 01-246 8026.

* Based on 52 per cent. corporation tax. † Nil=[illegible].

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1977/78 High	1977/78 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	79.96 (30/9)	60.45 (4/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (31/10)	60.49 (4/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	549.2 (14/9)	357.6 (13/1)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	174.5 (13/10)	99.1 (1/3)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Feb. 22	Feb. 21
—Daily		
Gilt Edged	[illegible]	[illegible]
Industries	[illegible]	[illegible]
Speculative	[illegible]	[illegible]
Totals	[illegible]	[illegible]
—5-day Average		
Gilt Edged	[illegible]	[illegible]
Industries	[illegible]	[illegible]
Speculative	[illegible]	[illegible]
Totals	[illegible]	[illegible]

OPTIONS TRADED

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Feb. 21	Mar. 6	May 25	Jun. 7
Mar. 7	Mar. 20	Jun. 8	Jun. 21
Mar. 21	Apr. 10	Jun. 22	Jul. 5

For rate indications see end of Share Information Service.

Stocks favoured for the call were Dunlop, Hawker Siddeley, Town and City Properties, P. and O. Deferred, BP, Grand Metropolitan, Lonrho, Staflex International, Charterhall, Burmah Oil, London and Northern, Nurdin and Peacock, Rio Tinto-Zinc, Youghal, Davenports' Brewery, Camford Engineering, Britannia Arrow, Cosalt International, Libanon, Cons. Gold Fields, Coalite and Chemical, J. [illegible] Gordon, J. [illegible], Platium, Rastenburg Platinum, Kwik-Fit, H. Wigfall and Furness Withy. A put was done in [illegible], while doubles were arranged in Brooke Bond, [illegible], Premier Consolidated, [illegible] Warehouses, ICI, Shell, Coral Leisure, Shell [illegible], P. and O. Deferred, [illegible], BP and Kwik-Fit, while dated calls were taken on [illegible] Furness Withy, while a put and a double were transacted in ICI.

NEW HIGHS AND LOWS FOR 1977/78

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1977-78.

NEW HIGHS (6)

STORES (1)
Menzies (J.)

ENGINEERING (1)
Dartmouth Invs.

INDUSTRIALS (1)
Brittains

TEXTILES (1)
Radley Fashions

RUBBERS (1)
Muar River

MINES (1)
De Beers Dfd.

NEW LOWS (6)

INDUSTRIALS (2)
Fosseco Minsep   Martin-Black

SHIPPING (2)
Reardon Smith   Reardon Smith A

TEXTILES (1)
Youghal

OILS (1)
BP

Rises and Falls yesterday

	Up	Down	Same
British Funds	[illegible]	[illegible]	[illegible]
Corpns. Dom. and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]
Financial and Prop.	[illegible]	[illegible]	[illegible]
Oils	[illegible]	[illegible]	[illegible]
Plantation	[illegible]	[illegible]	[illegible]
Mines	[illegible]	[illegible]	[illegible]
Recent Issues	[illegible]	[illegible]	[illegible]
Totals	[illegible]	[illegible]	[illegible]

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1977-78 high	1977-78 low
Shell Transport	25p	11	498	−2	625	454
BATs Defd.	25p	9	245	—	260	202
Grand Met.	50p	9	93	−2	109	62
ICI	£1	9	340	−1	446	325
Boots	25p	8	192	−4	244	115
GKN	£1	8	265	−12	369	260
Rank Org.	25p	8	238	—	276	128
BP	£1	7	752	−6	966	750
Dartmouth Invs.	5p	7	18½	+2	18½	8
De Beers Defd.	R0.05	7	323	+4	323	188
European Ferries	25p	7	104	−4	116	53½
GEC	25p	7	251	−2	284	163
Libanon	R1	7	347	−6	356	175
Nat. & Com. Bkg.	25p	7	70	−2	81	38
P. & O. Defd.	£1	7	99	−2	175	101

FT—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS
GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

	Wed., Feb. 22, 1978 Index No.	Day's Change %	Est. Earnings Yield% (Max.) (Corp. Tax 52%)	Gross Div. Yield% (ACT at 34%)	Est. P/E Ratio (Net) (Corp. Tax 52%)	Tues. Feb. 21 Index No.	Mon. Feb. 20 Index No.	Fri. Feb. 17 Index No.	Thurs. Feb. 16 Index No.
1 CAPITAL GOODS (170)	196.12	−1.3	18.08	5.94	7.79	198.70	[illegible]	[illegible]	[illegible]
2 Building Materials (27)	173.16	−1.1	17.62	6.11	8.09	175.11	[illegible]	[illegible]	[illegible]
3 Contracting, Construction (26)	309.08	−2.0	18.63	4.11	7.81	315.21	[illegible]	[illegible]	[illegible]
4 Electricals (15)	424.01	−0.7	15.62	4.18	9.17	427.04	[illegible]	[illegible]	[illegible]
5 Engineering Contractors (14)	280.77	−1.2	17.68	7.18	7.75	284.17	[illegible]	[illegible]	[illegible]
6 Mechanical Engineering (71)	155.44	−1.1	19.67	6.58	7.22	157.13	[illegible]	[illegible]	[illegible]
8 Metals and Metal Forming (17)	157.46	−2.7	19.94	8.68	6.63	161.75	[illegible]	[illegible]	[illegible]
11 CONSUMER GOODS (DURABLE) (53)	180.16	−2.0	16.90	5.16	7.67	182.04	[illegible]	[illegible]	[illegible]
12 Lt. Electronics, Radio TV (15)	216.22	−0.8	16.48	3.85	8.77	218.05	[illegible]	[illegible]	[illegible]
13 Household Goods (12)	164.80	−1.0	19.10	7.19	7.14	166.39	[illegible]	[illegible]	[illegible]
14 Motors and Distributors (26)	110.26	−1.4	22.66	6.75	6.58	111.60	[illegible]	[illegible]	[illegible]
21 CONSUMER GOODS (NON-DURABLE) (174)	185.20	−0.8	17.24	6.22	8.14	186.65	[illegible]	[illegible]	[illegible]
22 Breweries (14)	207.80	−1.4	15.66	6.37	9.68	210.66	[illegible]	[illegible]	[illegible]
23 Wines and Spirits (6)	236.61	−1.1	13.89	6.90	9.68	239.24	[illegible]	[illegible]	[illegible]
24 Entertainment, Catering (18)	235.47	−1.7	17.82	7.30	8.21	239.48	[illegible]	[illegible]	[illegible]
25 Food Manufacturing (22)	179.29	−0.5	22.06	5.95	6.41	180.12	[illegible]	[illegible]	[illegible]
26 Food Retailing (15)	184.29	−0.4	14.93	4.96	9.66	184.96	[illegible]	[illegible]	[illegible]
32 Newspapers, Publishing (13)	310.88	−0.4	10.81	4.61	13.75	312.09	[illegible]	[illegible]	[illegible]
33 Packaging and Paper (15)	128.85	−0.4	21.64	8.24	6.37	129.37	[illegible]	[illegible]	[illegible]
34 Stores (38)	170.92	−1.1	11.23	4.62	13.96	172.70	[illegible]	[illegible]	[illegible]
35 Textiles (25)	170.67	−0.6	20.47	7.79	6.18	171.67	[illegible]	[illegible]	[illegible]
36 Tobaccos (3)	222.42	−0.3	24.92	8.42	4.77	223.00	[illegible]	[illegible]	[illegible]
37 Toys and Games (6)	96.85	−1.5	21.73	6.57	5.60	98.30	[illegible]	[illegible]	[illegible]
41 OTHER GROUPS (97)	179.15	−0.8	17.72	6.06	7.68	180.66	[illegible]	[illegible]	[illegible]
42 Chemicals (19)	244.99	−0.8	20.25	6.95	6.95	247.05	[illegible]	[illegible]	[illegible]
43 Pharmaceutical Products (7)	239.21	−0.1	11.50	4.14	11.15	239.47	[illegible]	[illegible]	[illegible]
44 Office Equipment (6)	123.40	−0.2	22.27	5.81	5.95	123.64	[illegible]	[illegible]	[illegible]
45 Shipping (10)	421.91	−1.9	23.34	5.94	5.87	430.05	[illegible]	[illegible]	[illegible]
46 Miscellaneous (55)	186.47	−1.2	16.90	6.54	8.60	188.75	[illegible]	[illegible]	[illegible]
49 INDUSTRIAL GROUP (496)	192.32	−0.9	17.68	6.64	7.90	194.15	[illegible]	[illegible]	[illegible]
51 Oils (5)	446.04	−0.6	16.07	4.52	7.57	448.75	[illegible]	[illegible]	[illegible]
59 500 SHARE INDEX	212.44	−0.9	17.60	6.22	7.81	214.39	[illegible]	[illegible]	[illegible]
61 FINANCIAL GROUP (100)	158.22	−1.1	—	5.59	—	159.97	[illegible]	[illegible]	[illegible]
62 Banks (6)	178.54	−0.9	25.93	5.90	5.87	180.12	[illegible]	[illegible]	[illegible]
63 Discount Houses (10)	195.30	−0.8	—	6.45	—	196.71	[illegible]	[illegible]	[illegible]
64 Hire Purchase (5)	145.82	−2.7	12.59	5.33	11.75	149.80	[illegible]	[illegible]	[illegible]
65 Insurance (Life) (10)	133.29	−0.6	—	6.22	—	134.11	[illegible]	[illegible]	[illegible]
66 Insurance (Composite) (7)	123.66	−1.7	—	7.29	—	125.79	[illegible]	[illegible]	[illegible]
67 Insurance Brokers (10)	308.60	−0.6	13.89	4.44	10.53	310.58	[illegible]	[illegible]	[illegible]
68 Merchant Banks (14)	75.02	−2.1	—	6.22	—	76.64	[illegible]	[illegible]	[illegible]
69 Property (31)	230.37	−0.8	2.95	2.99	64.56	232.25	[illegible]	[illegible]	[illegible]
70 Miscellaneous (7)	102.11	−0.9	25.23	7.70	5.50	103.01	[illegible]	[illegible]	[illegible]
71 Investment Trusts (50)	181.94	−0.6	3.45	5.19	29.02	183.05	[illegible]	[illegible]	[illegible]
81 Mining Finance (4)	88.16	−0.5	17.69	6.64	6.58	88.54	[illegible]	[illegible]	[illegible]
91 Overseas Traders (19)	266.76	−1.2	17.70	7.79	6.93	270.17	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (673)	197.05	−0.9	—	5.79	—	199.05	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

British Government	Wed. Feb. 22	Day's change %	xd adj. To-day	xd adj. 1978 to date
1 Under 5 years	108.29	+0.08	—	1.85
2 5-15 years	119.94	−0.30	—	2.77
3 Over 15 years	126.56	−0.38	—	2.21
4 Irredeemables	143.85	−0.38	—	0.80
5 All stocks	117.58	−0.16	—	1.86

FIXED INTEREST YIELDS
Br. Govt. Av. Gross Red.

		Wed. Feb. 22	Tues. Feb. 21
1 Low Coupons	5 years	[illegible]	[illegible]
2	15 years	[illegible]	[illegible]
3	25 years	[illegible]	[illegible]
4 Medium Coupons	5 years	[illegible]	[illegible]
5	15 years	[illegible]	[illegible]
6	25 years	[illegible]	[illegible]
7 High Coupons	5 years	[illegible]	[illegible]
8	15 years	[illegible]	[illegible]
9	25 years	[illegible]	[illegible]
10 Irredeemables		[illegible]	[illegible]

	Wed. Feb. 22 Index No.	Yield %	Tues. Feb. 21	Mon. Feb. 20	Fri. Feb. 17	Thurs. Feb. 16	Wed. Feb. 15	Tues. Feb. 14	Mon. Feb. 13	Year ago (approx.)
15 20-yr. Red. Deb. & Loans (15)	61.16	12.14	61.07	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16 Investment Trust Prefs. (15)	57.17	13.28	57.08	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17 Coml. and Indl. Prefs. (20)	77.42	11.67	77.27	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 22p.

LEADERS AND LAGGARDS

The following table shows the percentage changes which have taken place since December 31, 1976, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

Contracting and Construction	+91.66	Entertainment and Catering	+37.76
Hire Purchase	+86.13	Consumer Goods (Non-durable) Group	+37.66
Engineering Contractors	+71.90	Packaging and Paper	+34.56
Electronics, Radio and TV	+69.81	Merchant Banks	+34.24
Office Equipment	+69.66	Toys and Games	+31.75
Property	+67.46	500-share Index	+31.17
Electricals	+60.29	All-share Index	+30.86
Building Materials	+59.64	Gold Mines FT	+33.56
Consumer Goods (Durable) Group	+57.41	Mechanical Engineering	+28.05
Stores	+56.46	Discount Houses	+27.58
Newspapers and Publishing	+55.30	Insurance Brokers	+27.37
Wines and Spirits	+50.20	Overseas Traders	+27.02
Capital Goods Group	+50.54	Other Groups	+26.23
Metal and Metal Forming	+46.71	Banks	+23.50
Motors and Distributors	+45.43	Food Manufacturing	+21.28
Food Retailing	+44.03	Chemicals	+21.04
Textiles	+42.74	Investment Trusts	+16.30
Breweries	+41.67	Tobaccos	+ 9.06
Insurance (Life)	+39.91	Shipping	+ 3.82
Insurance (Composite)	+38.81	Mining Finance	− 4.96
Household Goods	+38.74	Oils	+ 0.70
Industrial Group	+38.53		
Financial Group	+37.83		

Percentage changes based on Tuesday, February 21, 1978 indices.

RECENT ISSUES

EQUITIES

Issue Price p.	Amount Paid up	Latest Renunc. Date	1977/8 High	1977/8 Low	Stock	Closing Price p.	+ or −	Net Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1977/8 High	1977/8 Low	Stock	Closing Price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p.	Amount Paid up	Latest Renunc. Date	1977/8 High	1977/8 Low	Stock	Closing Price p.	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. r Dividend and yield based on prospectus or other official estimates for 1979. q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of Ordinary shares as a "rights." ** Issued by way of capitalisation. †† Minimum tender price. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former Preference holders. ■ Allotment letters (or fully-paid). • Provisional or partly-paid allotment letters. ★ With warrants.

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[I]NSURANCE, PROPERTY, BONDS

AUTHORISED UNIT TRUSTS

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New Zealand Ins. Co. (U.K.) Ltd.

Maitland House, Southend SS1 2JS 0702 62955

Kiwi Key Inv. Plan	140.6	144.9	.....	—
Small Co's Fd.	95.0	100.0	.....	—
Technology Fd.	95.0	100.0	.....	—
Extra Inc. Fd.	95.0	100.0	.....	—
American Fd.	95.0	100.0	.....	—
Far East Fd.	95.0	100.0	.....	—
Gilt Edged Fd.	95.0	100.0	.....	—
Con. Deposit Fd.	95.0	100.0	.....	—

[B]ASE LENDING RATES

■ Hill Samuel ....§	6½%
C. Hoare & Co. ....†	6½%
Julian S. Hodge	7½%
Hongkong & Shanghai	6½%
Industrial Bk. of Scot.	6½%
Keyser Ullmann	6½%
Knowsley & Co. Ltd.	9 %
Lloyds Bank	6½%
London & European	8½%
London Mercantile	6½%
Midland Bank	6½%
■ Samuel Montagu	6½%
■ Morgan Grenfell	6½%
National Westminster	6½%
Norwich General Trust	6½%
P. S. Refson & Co.	6½%
Rossminster Accept'cs	6½%
Royal Bk. Canada Trust	6½%
Schlesinger Limited	6½%
E. S. Schwab	8½%
Security Trust Co. Ltd.	7½%
Shenley Trust	9½%
Standard Chartered	6½%
Trade Dev. Bank	6½%
Trustee Savings Bank	6½%
Twentieth Century Bk.	7½%
United Bank of Kuwait	6½%
Whiteaway Laidlaw	7 %
Williams & Glyn's	6½%
Yorkshire Bank	6½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 3%. 1-month deposits 3½%.
† 7-day deposits on sums of £10,000 and under 3%, up to £25,000 3½%, and over £25,000 4¼%.
‡ Call deposits over £1,000 3%.
§ Demand deposits 4%.
¶ Rate also applies to Sterling Ind. Secs.

Jardine Fleming & Co. Ltd.

46th Floor, Connaught Centre, Hong Kong

Jardine Estn. Tst.	$HK209.98xd	.....	3.40
Jardine J'pn. Fd.*	$HK279.68	.....	1.00
Jardine S.E.A.	$US11.76	.....	2.60
Jardine Flem.Int.†	$HK8.93xd	.....	—

NAV Jan. 31 *Equivalent $US60.54 Next sub. Feb. 28.

Kemp-Gee Management Jersey Ltd.

1, Charing Cross, St. Helier, Jersey. 0534 73741

Kemp-Gee Capital	62.2	64.8	—
Kemp-Gee Income	64.6	66.8	8.00

Warburg Invest. Mngt. Jrsy. Ltd.

1, Charing Cross, St. Helier, Jsy. CI 0534 73741

CMF Ltd Jan 27	$US12.7	12.89	.....	—
CMT Ltd. Jan 27	£11.48	11.77	.....	—
Metals Tst Feb 16	£10.93	11.20	.....	—
TMT Feb.9	$US9.76	9.50	.....	—
TMT Ltd. Feb.9	£9.13	9.37	.....	—

World Wide Growth Management

10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$US12.78	-0.03	—

NOTES

Prices do not include $ premium, except where indicated ✠, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b To-day's prices. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ⊕ Net of tax on realised capital gains unless indicated by ⊕. § Guernsey gross. # Suspended. ◆ Yield before Jersey tax. † Ex-subdivision.

CORAL INDEX: Close 447-452

INSURANCE BASE RATES

† Property Growth	[illegible]
Cannon Assurance	[illegible]
† Vanbrugh Guaranteed	7.25%

Address shown under Insurance and Property Bond Table.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1977-78 High	Low	Stock	£	+ or –	Yield Int.	Red.
104¾	97¾	Treasury 10½pc '78‡‡	101⅞	+⅛	10.31	5.59
100½	99[illegible]	Exch. 5pc '76-78‡‡	99[illegible]	......	5.04	6.31
107	95[illegible]	Treasury 11½pc '79‡‡	104[illegible]xd	+[illegible]	11.02	7.23
97¾	84[illegible]	Treasury 3pc '79‡‡	97xd	+⅛	3.09	5.01
98[illegible]	85[illegible]	Electric 4½pc '74-79	97[illegible]xd	+⅛	4.34	5.65
106[illegible]	9[illegible]	Treasury 10½pc '79‡‡	102[illegible]	+[illegible]	10.[illegible]4	8.[illegible]
97[illegible]	84[illegible]	Electric 3½pc '76-79	9[illegible]	+⅛	3.65	5.[illegible]
107	87[illegible]	Treasury 9pc '80‡‡	101[illegible]	......	9.33	7.[illegible]
105[illegible]	85[illegible]	Treasury 9½pc '80‡‡	101[illegible]	......	9.34	6.61
96	82[illegible]	Treasury 3½pc '77-80	94[illegible]	......	3.72	6.27
99[illegible]	8[illegible]	Funding 5½pc '78-80‡‡	95[illegible]	......	5.49	7.34
112[illegible]	95[illegible]	Exchequer 13pc 1980‡‡	1[illegible]	......	12.63	9.57
109[illegible]	92[illegible]	Treasury 11½pc 1981‡‡	104[illegible]	+[illegible]	10.97	9.54
94¼	77[illegible]	Treasury 3¼pc 1979-81	[illegible]	......	3.36	7.04
104	86[illegible]	Treasury 8¼pc 1980-82‡‡	101	+[illegible]	9.05	9.36
97[illegible]	95¼	Exch. 8¼pc 1981	93¾	+[illegible]	8.53	9.41
103½	97[illegible]	Exch. 9¾pc 1981	100[illegible]	+[illegible]	9.49	9.43
92[illegible]	87[illegible]	Exch. 3pc 1981	87¾	......	3.42	7.02
95¼	96[illegible]	Treas. Variable '81‡‡	95¾	......	6.69	7.49
113[illegible]	96¼	Exch. 12¼pc 1981‡‡	103⅞	–[illegible]	11.71	9.64
100⅝	82⅞	Treas. 8½pc '80-82‡‡	97	+⅛	8.76	9.45
93¼	71[illegible]	Treasury 3pc '82‡‡	86[illegible]	–[illegible]	3.49	7.09
119[illegible]	101⅛	Treasury 14pc '82‡‡	113[illegible]xd	+[illegible]	12.35	9.93
93½	95¼	Treas. Variable '82‡‡	96	......	6.74	7.57
98⅝	93⅝	Treasury 8¼pc '82	95[illegible]	+⅛	8.63	9.50
102¼	93⅝	Exch. 9¼pc 1982	98[illegible]xd	+⅛	9.38	9.63
87⅝	81	Exch 3pc '83	83	......	3.31	7.10

Five to Fifteen Years

1977-78 High	Low	Stock	£	+ or –	Yield Int.	Red.
114¼	95½	Treasury 12pc 1983‡‡	107xd	–⅛	11.24	10.05
101⅛	95¾	Treasury 9½pc '83	98	–⅛	9.53	9.95
95½	72⅝	Funding 5½pc '82-84‡‡	85¼	–¼	6.45	8.69
100⅝	77½	Treasury 8½pc '84-86‡‡	93[illegible]	–¼	9.18	9.81
87⅞	66¾	Funding 6½pc '85-87‡‡	84¼	–¼	7.91	9.45
94	68[illegible]	Treasury 7¾pc '85-88‡‡	85[illegible]	–¼	9.21	10.10
74[illegible]	49⅛	Transport 3pc '78-88	64[illegible]	–¼	4.68	8.22
76¼	53⅞	Treasury 5pc '86-89	70⅝	–¼	7.26	9.47
121¼	9[illegible]	Treasury 13pc 1990‡‡	110⅛	–⅛	11.96	11.62
94¾	6[illegible]	Treasury 8¼pc '87-90‡‡	85¼	–¼	9.86	10.65
112	[illegible]	Treasury 11¾pc 1991	101⅝	–⅛	11.75	11.75
7[illegible]	[illegible]	Funding 5¾pc '87-91‡‡	70[illegible]	–¼	8.41	10.15
11[illegible]	8[illegible]	Treasury 12¾pc '92‡‡	10[illegible]	–⅛	12.04	11.8[illegible]

Over Fifteen Years

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

AMERICANS—Continued

1977-78 High	Low	Stock	£	+ or –	Div. Gross	C'vr	Y'ld Gr's
34⅝	20	Manf. Han. US$7.50	21xd	+⅛	$1.92	—	5.2
48	26⅝	Morgan (JP) US$2.5	27½	......	$2.36	—	4.0
17¼	12	Norton Simon Inc $1	12	–½	76c	—	3.6
25	13⅛	Owens-Ill. $3.125	15	–½	h$1.06	—	4.0
32	14⅛	Quaker Oats US$5	14½	–¼	$1.04	—	4.0
21⅝	14½	Reliance $0.25	18¼	+½	15c	—	—
24	16¼	Rep. N.Y. Corp. $5	20½	–1½	$1.00	—	3.1
16⅝	10½	Rexnord $5	11⅛xd	–⅜	80c	—	4.0
22	14⅛	Richdsn.-Mrrll $1¼	14⅛	......	90c	—	3.5
406p	247p	Saul (B. F.) $1	298p	+9	—	—	—
33⅝	18½	Shell Oil $1	20⅝xd	–⅛	b$1.60	—	4.4
20⅝	11⅞	Singer ($10)	13	......	60c	—	2.6
36½	22	Sperry Rand $0.50	23½xd	–½	$1.12	—	2.7
33	18⅝	TRW Inc. $1¼	21xd	–½	$1.80	—	4.9
31⅝	18⅛	Tenneco	20¾	+¼	$2.00	—	5.4
151	135	Do. 10% Ln. Stk. 91-95	135	......	10%	—	f7.5
14½	505p	Tesoro Pt. US$0.16⅔	649p	–5	$1.00	—	8.7
24⅛	16⅞	Texaco $6.25	17¼xd	–⅛	$2	—	6.3
51⅛	22¾	Time Inc.	24½	–½	$1.30	—	3.0
13⅝	865p	Transamerica $1	965p	+18	80c	—	4.7
34	21¼	Utd. Tech. $US5	23⅞	......	$2.00	—	4.7
41¾	17¾	U.S. Steel $1	17¾xd	–⅛	$1.60	—	5.1
19¼	938p	Vetco 50 50	14⅝xd	......	20c	—	0.8
22	11½	Woolworths $3½	12½xd	......	$1.40	—	6.3
49½	28⅞	Xerox Corp. $1	31¾	+¼	$2.00	—	3.5
13⅝	385p	Xonics Inc. 10c	467p	......	7½c	—	0.9
12¾	758p	Zapata Corp. 25c	10¾	–½	s30c	—	1.6

S.E. List Premium 36⅝% (based on $US1.9450 per £)

Conversion factor 0.7304 (0.7289)

CANADIANS

1977-78 High	Low	Stock	£	+ or –	Div. Gross	C'vr	Y'ld Gr's
13	10½	Bk. Montreal $2	11[illegible]xd	+[illegible]	$1.06	—	4.8
17⅝	10½	Bk. Nova Scotia $1	12¼	+⅛	92c	—	3.8
42½	30¼	Bell Canada 25c	34	+1¼	$4.2	—	6.4
24½	11¼	Bow Valley‡	13¾	+½	10c	—	0.4
563	625p	Brascan‡	995p	+30	$1.00	—	5.2
22⅛	13⅝	Can. Imp. Bk. $2	16	......	$1.44	—	4.6

S.E. List Premium 36⅝% (based on $2.1604 per £)

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Cont.

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Cont.

ELECTRICAL AND RADIO

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INSURANCE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCE

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INV. TRUSTS—Continued

Finance, Land, etc.

FINANCE, LAND—Continued

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

MINES—Continued

CENTRAL AFRICAN

1977-78 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
195	70	Falcon Rh.50c	190	......	Q50c	1.3	24.5
24	9	Rhod'n Corp. 16½p.	21	......	0.57	4.3	4.1
165	52	Roan Cons. K4	73	......	—	—	—
164	115	Tanganyika 50p	128	......	Q11.0	1.1	8.6
80	70	Do. Pref. 80p	78	......	Q9%	16.4	9.2
42	27	Wankie Col. Rh1	38	......	Q7½c	1.4	16.8
27½	10	Zam.Cpr.SBD0.24	11	......	—	—	—

AUSTRALIAN

1977-78 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
20	10	Acmex 25c	11	......	—	—	—
127	57	Bougainville 50 Toea	81	−1	Q8c	1.5	6.2
128	69	BH South 50c	69	−1	—	—	—
325	119	Conzinc Riotinto 50c	158	−2	Q10c	ϕ	4.0
72	18	G.M. Kalgoorlie $1	68	−4	—	—	—
112	77	Hampton Areas 5p	88	......	1.45	4.1	2.5
35	10	Metals Ex. 50c	13	......	—	—	—
242	125	M.I.M. Hldgs. 50c	130xd	−1	Q9c	1.7	4.3
105	10	Mount Lyell 25c	19	......	—	—	—
2¼	1	Newmetal 10c	2	......	—	—	—
120	79	North B. Hill 50c	86	......	Q8c	1.5	5.7
12	4½	Nth. Kalgurli	11	......	—	—	—
147	87	Oakbridge $A1	142	−5	Q11c	1.9	4.9
55	20	Pacific Copper	34	......	—	—	—

TINS

COPPER

1977-78 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
198	74	Messina R0.50	74	−4	tQ30c	1.9	‡

MISCELLANEOUS

1977-78 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
9½	9	Burma Mines 17½p.	9	......	—	—	—
115	58	Colby Mines $C1	72	+3	—	—	—
600	225	Cons. Murch. 10c	240	......	Q30c	ϕ	7.5
475	250	Northgate C$1	265	+10	—	—	—
247	169	R.T.Z.	174	−1	t8.5	q3.1	7.4
70	28½	Sabina Inds. C$1	34	......	—	—	—
£14¾	800	Tara Expln. $1	837	+7	—	—	—
55	37	Tehidy Minerals 10p	45	......	1.21	2.5	4.1
160	120	Yukon Cons. C$1	120	......	Q7c	ϕ	3.5

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 34 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- » Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✝ Regional price.
- || No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Cover and P/E ratio exclude profits of U.K. aerospace subsidiaries. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1977-78. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Dividend and yield based on prospectus or other official estimates for 1977. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 38

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv 20p	23	......
Ash Spinning	42	......
Bertam	16	......
Bdg'wtr Est. 50p	280	......
Clover Croft	22	......
Craig & Rose £1	400	......
Dyson (R.A.)	40	......
Ellis & McHdy.	68	......
Evans Fr'k 10p	58	......
Evered	16½	......
Fife Forge	47	......
Finlay Pkg. 5p	29	......
Graig Ship £1	212	......
Higsons Brew	83	......
I.O.M. Stm. £1	159	......
Holt (Jos) 25p.	245	......
N'thn Goldsmith	61	−1
Pearce (C. H.)	132	......
Peel Mills	17	......
Sheffield Brick	47	......
Sheff Refrshmt.	51	......
Shiloh Spinn	19	......
Sindall (Wm.)	85	......

IRISH

Conv. 9% '80/82.	£96xd	......
Alliance Gas	80	......
Arnott	285	......
Carroll (P.J.)	109	......
Clondalkin	82	......
Concrete Prods.	130	......
Heiton (Hldgs.)	49xd	......
Ins. Corp	155	......
Irish Ropes	130	......
Jacob	60	......
Sunbeam	33	......
T.M.G.	190	......
Unidare	75	......

OPTIONS
3-month Call Rates

Industrials					
A. Brew	6½	I.C.I.	23	Tube Invest.	30
A.P. Cement	18	"Imps"	7	Unilever	40
B.S.R.	9	I.C.L.	20	Utd. Drapery	7½
Babcock	10	Inveresk	7	Vickers	15
Barclays Bank	25	KCA	5	Woolworths	6
Beecham	58	Ladbroke	17	**Property**	
Boots Drug	15	Legal & Gen.	14	Brit. Land	
Bowaters	16	Lex Service	7	Cap. Counties	
B.A.T.	24	Lloyds Bank	22	E.P.	
British Oxygen	6	"Lofs"	5	Intreurop	
Brown (J.)	20	London Brick	5	Land Sec	
Burton 'A'	13	Lonrho	7	MEPC	
Cadburys	5	Lucas Inds.	25	Peachey	
Courtaulds	10	Lyons (J.)	13	Samuel Props.	
Debenhams	10	"Mams"	7	Town & City	
Distillers	13	Mrks. & Spncr	11	**Oils**	
Dunlop	[illegible]	Midland Bank	25	Brit. Petroleum	95
Eagle Star	11	N.E.I.	20		
		Nat. West. Bank	22		
		Do. Warrants	10		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES
Thursday February 23 1978

State agency acts on pay clause

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THE Property Services Agency, responsible for all government premises and installations, yesterday became one of the first government departments to implement the controversial pay guideline clauses in its contracts.

The "10 per cent." clause, seen by the Government as an essential part of its current incomes policy, was implemented despite agreement between Ministers and the Confederation of British Industry on a 21-day cooling off period, to allow for further discussions.

As the Agency announced that the new conditions would apply to all tender and contract documents from yesterday, construction industry leaders immediately called for a total embargo on all government building contracts.

The operation of the sanctions, as they affect each government department, has been worked out in conjunction with the Treasury over the past two weeks and they will now begin to take effect.

To-day, CBI representatives will meet government officials to examine the proposals in more detail, although Ministers have made it clear that no major changes to the plans will be discussed.

The CBI has called on members to defer signing new contracts and the building and civil engineering sector yesterday backed the move by advising more government work until Ministers had met its representatives.

The Property Services Agency is the largest single public sector client for the construction sector, distributing more than 6,000 building or maintenance contracts worth about £360m. in its last financial year.

Just over half of the construction and civil engineering industries' total workload comes from government departments and agencies, with the civil engineers almost entirely dependent on State contracts.

Localised

The agency, which operates a localised budget programme—with the exception of contracts in excess of £500,000—has told its regional offices that contracts signed by yesterday should not be recalled for renegotiation. Any tenders submitted in the past few weeks will, however, be affected and contractors will have the option of withdrawing them or inserting the pay limit clause.

The National Federation of Building Trades Employers is urging contractors not to accept any Government work until it has discussed the situation with Mr. Peter Shore, Environment Secretary. The federation fears that any sub-contractor breaking the pay guidelines could jeopardise main contracts and it claims that such an arrangement would be completely unworkable.

Threat to impose cut in price of tea

By David Churchill

THE Government last night re-affirmed its intention of using its statutory powers to order major tea blenders to cut prices in line with the Price Commission's recommendation of a big reduction.

This was made clear last night by Mr. Roy Hattersley, Prices Secretary, after a bitter meeting between the tea blenders and Department of Prices.

The blenders—Brooke Bond, Oxo, Lyons Tetley, Typhoo Tea, and the Co-operative Wholesale Society—told officials that the Commission's report contained "clear and important inaccuracies which we believe invalidate its main findings."

They argued that there was "no justification at present for a price reduction and in fact blenders could not remain viable at the shelf prices suggested in the report."

Forthcoming

Mr. Hattersley said that the blenders' arguments "did not materially affect the substance of the report." He accepted the Commission's report and remained convinced that a price reduction was necessary.

However, he offered to meet the tea blenders to hear their case. But he insisted that his department would use "statutory measures" if no voluntary reductions were forthcoming.

The powers available to the Department to force price cuts were not spelt out by Mr. Hattersley. The reference on tea prices was made before the new price control powers were introduced last summer.

But the Department could, for example, set a maximum price for tea. It is also hoping that the supermarkets will put pressure on the tea blenders as happened with coffee.

Export credit rules renewed

BY DAVID CURRY

PARIS, Feb. 22.

THE INTERNATIONAL consensus on conditions governing state-backed export credits has been renewed indefinitely without change.

For credits longer than five years the minimum interest rate remains at 8 per cent. for developed countries, 7¾ per cent. for intermediate countries and 7½ per cent. for less developed countries. On credits between two and five years developed countries will pay 7¾ per cent. and the rest 7¼ per cent.

After 36 hours' wrangling at a meeting in Paris under the umbrella of the Organisation for Economic Co-operation and Development, the Americans had to abandon their attempt to move rates of interest closer to market rates and to stretch out maturities.

The Europeans had consistently refused to tighten the terms, partly because they did not want to upset bilateral arrangements with customer states and partly because of their longer tradition of subsidised credit.

Twenty countries have initialled the agreement which must be confirmed by governments by April 1. It provides for annual reviews with the first meeting planned for October.

The accord is not an exact repetition of the original agreement signed for one year in the summer of 1976. The terms of the specific OECD agreement on ship building finance have been broadened to embrace smaller vessels and allow more generous conditions for very large ships. This has now been anchored more firmly within the framework of the consensus.

The new agreement also provides, for the first time, for specific consultation between states on individual credit deals. For example, countries wishing to undercut the terms must notify partners of their intention, the reason, and the characteristics of the contract.

They must all delay offering concessionary terms for two periods of ten days if the application is not accepted. But their partners have no powers finally to block the deal.

This, together with a number of other improvements in machinery, is intended to enable competitors to match terms.

Credit agreements concluded before the original consensus are not affected.

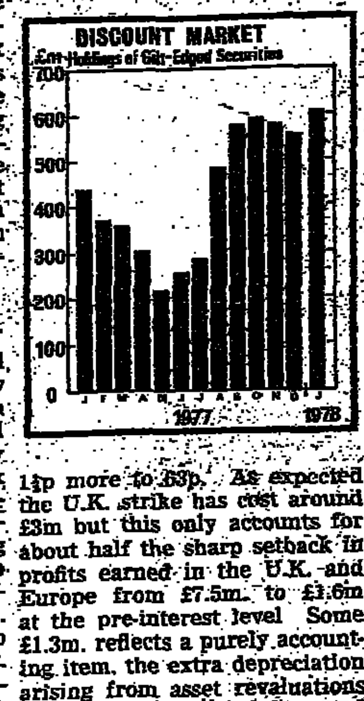
The OECD countries remaining outside the agreement are New Zealand, Austria, Turkey and Iceland.

M Gilbert Morleghem the Belgian chairman of the meeting, regretted particularly the Austrian absence. He said that, if Austria offered soft terms for exports, particularly to eastern Europe, consensus countries might have no option but to seek to match them.

THE LEX COLUMN

Surgery pays off at Carrington

Index fell 4.7 to 449.9



Nervously awaiting to-day's results from ICI the equity market closed below 450 last night, all but 100 points adrift of last September's all-time peak. The market's weakness has been unfortunate for the Midland Bank rights issue, with the shares closing at just 332p against the 330p issue price. But banking sector specialists are still optimistic that Cazenove will be successful to-day in placing at a premium the shares which were not taken up, avoiding an embarrassing recourse by Midland to the underwriters.

Carrington Viyella

Carrington Viyella started last year on a strong recovery tack — and then ran into a decidedly flat patch around July. Trading profits rose by over a half in the first six months, and were roughly unchanged in the second. However, the £10m. share placing in April has triggered a sharp drop in finance costs, and exchange losses have disappeared. So profits for the year are up from £10.8m. to £16.5m. pre-tax.

The bulk of this improvement arose in fabric manufacturing, about two-fifths of group sales. Rationalisation has paid off in warp knitting, where the group is heavily involved in pile fabrics for the motor trade. And the weft knitting side is now in profits, following hefty cutbacks last year. Carrington claims that as a result of its expensive surgery in recent years, its fabric business is now producing a satisfactory return on capital.

Progress will be more sedate from now on, although the group thinks that the new Multi Fibre Arrangement will help to protect its market from imports if consumer spending picks up later this year. Meanwhile it is building up its stocks a little, and it has much more flexibility in its balance sheet as a result of the placing and a changed treatment of deferred tax. A year ago, debt was shown at nearly 100 per cent. of the equity: now it is down to 57 per cent. The shares stand at 39p, and the yield of 8½ per cent. is covered around 3½ times.

BOC International

After being softened up by Tuesday's annual report from BOC the market held up reasonably well in the face of the slump in first quarter pre-tax profits from £16.6m. to £10.8m.—the shares eased only 1½p more to 83p. As expected the U.K. strike has cost around £3m but this only accounts for about half the sharp setback in profits earned in the U.K. and Europe from £7.5m. to £1.6m at the pre-interest level. Some £1.3m. reflects a purely accounting item, the extra depreciation arising from asset revaluations as part of the group's gradual move towards current cost methods. But there has also been a decline of over £1m. in the contribution of the chemicals, metals and medishield businesses, while the higher sterling rate has lopped around £0.9m. off overseas profits.

Profits outside Europe have slipped only £1m. to £13.1m., but this also means that minorities have kept steady, and given a higher tax charge and dilution after the rights issue earnings per share are only 0.95p for the quarter, against 2.55p. The tax problem should largely right itself as effectively tax-free U.K. profits come back into the picture from now on. The overall pre-tax figure will also be helped by the consolidation for the final eight months of another 15 per cent. of Airco's profits—worth perhaps £4m. But with the general trading picture remaining flat BOC will do well to come near last year's £82m. pre-tax, while earnings per share are bound to show a larger shortfall.

Shipping crisis

The news that British Shipbuilders has been approached by a number of its customers with a view to rescheduling their debts underlines the way the world-wide shipping crisis is developing. It follows shortly after reports that Greek s[...] owners are asking for a [...] year moratorium on repayme[...] of their Japanese export cre[...] and are contemplating a [...] conian lay-up plan for up [...] third of their bulk dry c[...] fleet.

Until recently the shipp[...] crisis has been concentra[...] among Scandinavian own[...] (and to a lesser extent [...] Japanese) and tankers [...] been the big problem. Howe[...] while the amount of laid [...] tanker tonnage has been st[...] lised at just over [...]m. dwt [...] problem of surplus capacity [...] now spilled over into the [...] cargo sector—last year the [...] up tonnage more than dou[...] to 11.5m. dwt. As a result [...] rates have slumped and [...] important, the value of sec[...] hand tonnage has collapsed [...] well over a third during the [...] year according to some [...] mates. This is particula[...] worrying for the smaller ow[...] since ship sales traditional[...] provide a convenient sourc[...] liquidity when times get t[...]

The Scandinavians have [...] bailed out for the time [...] by the largesse of the Norwe[...] Guarantee Institute and [...] Japanese will doubtless [...] helped in a peculiarly Japa[...] fashion. However, the C[...] authorities are unlikely to [...] generous as the Norweg[...] especially since many of [...] shipping companies fly [...] Liberian flag. Even the Br[...] Government is going to be [...] increasing pressure to affe[...] port to some of the more h[...] geared U.K. companies.

1867-1977

Gillett Bros. closed its [...] a month later than Alexa[...] and Union Discount an[...] missed out on the Ja[...] 1977 bonanza in the gilt-e[...] market this time r[...] Nevertheless a more [...] doubling in disclosed aft[...] profits to £1.0m. unde[...] the sort of fun which w[...] be had in the discount m[...] last year. Gillett notes [...] during its financial yea[...] Bank of England's official [...] had its swiftest fall since [...] — the year the house [...] founded. For those with [...] memories, the Bank of En[...] hoisted its Bank rate to 1[...] cent. in May 1866 afte[...] collapse of bill brokers [...] end, Gurney. Over the [...] year it fell back to 2½ per [...] Those were the days.

Windscale report favours expansion

BY DAVID FISHLOCK, SCIENCE EDITOR

THE Prime Minister effectively confirmed yesterday that the Windscale nuclear inquiry had reported in favour of expanding spent fuel reprocessing in Britain.

In the first ministerial comment on the report by Mr. Justice Parker on last summer's inquiry, Mr. Callaghan said it was "most cogent and clear with well-argued conclusions."

He told the Parliamentary and Scientific Committee that MPs would probably have the chance to debate its conclusions after publication, but before the Government announced its decision on the plans of British Nuclear Fuels to build a new reprocessing plant for spent nuclear fuel at Windscale.

As the Financial Times reported earlier this month, it is believed that the Parker report favours plans for this facility, which would give the company immediate access to £800m.-£900m. worth of overseas business in spent fuel reprocessing and transport.

The French Government has just given formal approval for Cogema, the state-owned French nuclear fuel company, to undertake international fuel reprocessing, and therefore to ratify contracts totalling about 6,000 tonnes of foreign spent fuel to be reprocessed in France over the next ten years.

The British company is also seeking contracts for 6,000 tonnes of fuel for reprocessing during the 1980s, of which half would be for domestic needs.

Government approval for Windscale expansion would allow the company to sign contracts with Japan for 1,600 tonnes of spent fuel, and a contract—believed to be worth nearly £300m.—for transporting fuel from Japan to Europe for treatment in both the British and French plants.

It is understood that the Parker report's conclusions are couched in terms so favourable towards the Windscale project that, had the project's proponents themselves drafted them, they could hardly have done a more convincing job.

But the industry is furious that, four weeks after the report was prepared at unusual speed on the express wish of the Government, Ministers were still arguing the legal niceties of announcing its decision.

The Government "would like to meet the desire of Parliament to debate it before a final decision is taken," Mr. Callaghan said yesterday.

The Government's problem here is that by acceding to a parliamentary debate, it may open the way legally for objectors to take action in the High Court, further delaying the project, and virtually abandoning to its French rival any chances of British Nuclear Fuels securing significant overseas reprocessing business during the 1980s.

Meanwhile, a major contribution to the technology of preventing nuclear proliferation while permitting nuclear fuel reprocessing and encouraging rapid development of the fast breeder reactor is expected in a new Anglo-U.S. proposal to be disclosed to-morrow.

Sealink starts new breaks

SEALINK IS to introduce a series of short-stay inclusive breaks, available from March 20 to October 14, to selected resorts in the La Manche region of Northern France.

The series will cater for one to four night stays in Cherbourg for the non-motorists and for three or four night stays in Cherbourg, Carteret, Coutainville and Granville for passengers with cars.

All the Channel crossings will be by Sealink's direct route to Cherbourg, via Weymouth.

GKN share price falls after ruling

By Terry Dodsworth, Motor Industry Correspondent

SHARE PRICES in GKN, Britain's largest engineering company, fell heavily yesterday after the West German Supreme Court had decided to block its bid for outright control of the Sachs group, West Germany's leading clutch manufacturer.

After dropping to 262p at one stage, the shares ended the day 12p down, at 265p. The stock market reaction mirrored the company's fears that it may now have to abandon its attempt to raise its present 25 per cent. stake in Sachs to 75 per cent.

GKN said yesterday that it was waiting to see the full court judgment before deciding its next step, and it will certainly pursue the case if it sees any hope of success.

Tough

But the company's scope for appeal is fairly limited. It can take the matter to the West German Economics Minister, but only on the grounds that the judgment is against the national or general public interest.

GKN is clearly disappointed at the German decision after believing that there would be more integration in the European component market with the U.K.'s accession to the EEC, and that component companies would achieve the best results when operating close to the vehicle assemblers using their products.

West Germany, in particular, has proved a tough market for British component manufacturers, although it is the largest exporter of motor products to Britain within the EEC.

The German court's decision could also leave GKN with the tricky decision of what to do with its present 25 per cent. shareholding in Sachs.

Dominating

Leslie Colitt adds: The Federal Cartel Office hailed the ruling against GKN's bid as an "important step for the future of merger control."

It added that, for the first time, a Supreme Court decision against a merger was not based on the threat of a market dominating position being created. Instead, the court had said the "increase in economic capacity" resulting from the merger was the most important fact.

The ruling was seen by the West German Office as a "landmark for economic power which restricts competition within the framework of merger control."

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A Bouquet of Barbed Wire Page 22

ASLEF one-day strike goes ahead

BY NICK GARNETT, LABOUR STAFF

TALKS BETWEEN British Rail and the three rail unions yesterday failed to persuade ASLEF, the train drivers' union, to call off its national one-day strike on March 1.

The union's executive is meeting to-day and will decide what further action to take in a dispute involving bonus payments to pay-train guards.

Further regional one-day strikes and other forms of industrial action now look a strong possibility. Mr. Ray Buckton, ASLEF general secretary, said his union's options were open but the situation was "grim."

London Transport, many of whose Underground train drivers are ASLEF members, will not be involved in the strike.

The dispute over payments to 800 guards who collect fares on trains, have led to considerable bitterness between ASLEF and the much larger National Union of Railwaymen, which includes the guards as members.

Mr. Sid Weighell, the NUR general secretary, walked out yesterday before the talks had finished.

He said he was not prepared to see ASLEF carry out an inquest on an NUR agreement properly negotiated with British Rail. ASLEF was simply trying to block the agreement.

The NUR deal involved bonus payments of between £2.50 and about £5.00 a week to 800 of British Rail's 12,000 guards and is partly designed to bolster attempts to cut down the number of people who use the railways without paying. The deal involves some new guard duties.

The NUR and British Rail said the agreement had nothing to do with any general guidelines on a new overall pay and productivity deal for the unions.

ASLEF claims the British Rail Board had run counter to the spirit of the industry's 1974 pay restructuring and if extra payments were made to guards they should also be made to drivers.

But Mr. Weighell warned yesterday that if they were extended to drivers he would want extra payments for a quarter of a million British Rail workers.

Mr. Buckton said his union had no real argument with the NUR, but British Rail Board had made a deal behind ASLEF's back. Relations with the Board were "at a low ebb" and only a new initiative from British Rail would prevent a strike.

British Rail, however, maintains that there was no way the payments to pay train guards could or should be extended to drivers.

● British Rail and the NUR yesterday came closer to agreeing new guidelines for manning and cost saving measures.

Glasgow to forfeit £3.7m. in rate aid

BY DAVID CHURCHILL

GLASGOW IS to lose about a quarter of its rate support grant in April because of inaccurate estimates three years ago which have only just come to light.

The district council has been told that the Scottish Office intends to reclaim £3.7m. said to have been overpaid to the former borough council in 1974-75 before the Scottish local government reorganisation.

This means that Glasgow will receive £3.7m. less aid than the £13.75m. it had expected under the rate support grant. It will have to fund the difference either by cutting services or increasing rates by 1½p in the pound.

Glasgow's industrial and commercial ratepayers are already facing massive rate rises this year owing to a four-fold increase in the rateable value of business property in the city.

Leaders of Glasgow district council yesterday demanded an urgent meeting with Mr. Bruce Millan, Scottish Secretary. The council's budget meeting is due to be held next week.

Mr. William English, the council's present finance director, was told about the £3.7m. overpayment on Monday by the Scottish Office. It followed an analysis just completed of the borough council's accounts which were closed after the 1975 re-organisation.

The main cause of the overpayment was the borough council's estimate that it would have to finance the whole of the teachers' pay rise in 1974, averaging in that financial year about 30 per cent. In fact only part of the award was paid out that year, with the balance financed by the new Strathclyde regional council.

The inaccurate estimate would normally have been corrected automatically in the following financial year. But because of the transfer of powers, the amount overpaid could not be immediately established.

Councillor Maurice Toshner, chairman of the finance committee, said yesterday that Glasgow "cannot afford this penalty and the Government should write it off."

The Government's attempt to keep English rate rises below 10 per cent. this year received a boost yesterday. Two of the big local authority associations, representing the major urban areas and shire counties, reported that the average rate increases notified by member authorities so far were within the Government's single-figure target.

Metropolitan rate increases were "within single figures on average," and the shire counties increases averaged 9.6 per cent., although individual authorities may have rises well above these figures.

The Association of District Councils, however, has reported that rises are likely to be nearer 13 per cent. for its member authorities.

Weather

U.K. TO-DAY

RATHER CLOUDY with rain at times in the East and showery outbreaks int he West. In Scotland and the North it will still be rather cold.

London, Southern, East, Northern and N.E. England, E. Anglia, the Midlands, Channel Isles and Borders

Mostly cloudy with rain. Wind fresh at times. Max 9C (48F).

S.W. and N.W. England, Wales, Lakes, Isle of Man, S.W. Scotland, N. Ireland

Rather cloudy and showery. Wind South or S.E. fresh or strong. Max. 9c (48f).

Central Highlands, and N. Scotland

Cloudy with rain at times and snow on mountains. Winds easterly strong. Max. 5C (41F).

Outlook: Most districts will have rain or showers with snow on northern hills. Cold still in the North.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Amsdm.	C	6	43	Madrid	S	12	54
Athens	R	9	48	Manchstr	R	7	45
Bahrain	S	22	72	Melbourne	C	16	61
Barcelona	S	16	61	Mexico C.	C	11	52
Beirut	S	16	61	Milan	C	2	36
Belfast	R	7	45	Montreal	C	−6	21
Belgrade	F	−7	19	Moscow	F	−8	18
[illegible]	C	[illegible]	[illegible]	Munich	S	8	46
[illegible]	R	7	45	Newcastle	C	4	39
[illegible]	R	7	45	New York	S	−2	28
[illegible]	[illegible]	7	45	Oslo	Sn	−5	23
[illegible]	[illegible]	[illegible]	27	Paris	F	5	41
[illegible]	[illegible]	26	79	Perth	S	37	99
[illegible]	[illegible]	[illegible]	72	Prague	C	0	32
[illegible]	[illegible]	[illegible]	43	Reykjavik	S	1	34
[illegible]	[illegible]	[illegible]	27	Rio de Jn	C	34	93
[illegible]	[illegible]	[illegible]	[illegible]	Rome	S	15	59
[illegible]	[illegible]	[illegible]	79	Singapore	S	27	81
[illegible]	[illegible]	[illegible]	[illegible]	Stockholm	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Strasbourg	C	5	41
[illegible]	[illegible]	[illegible]	[illegible]	Sydney	C	19	66
[illegible]	[illegible]	9	[illegible]	Tehran	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Tel Aviv	C	17	63
[illegible]	[illegible]	[illegible]	[illegible]	Tokyo	S	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Toronto	C	−9	16
[illegible]	[illegible]	[illegible]	[illegible]	Vienna	C	−7	19
[illegible]	[illegible]	[illegible]	[illegible]	Warsaw	F	−3	27
[illegible]	[illegible]	[illegible]	[illegible]	Zurich	S	0	32

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	S	13	55	Jersey	C	8	46
Algiers	S	24	75	Las Plms.	F	18	64
Biarritz	F	18	64	Majorca	S	15	[illegible]
Blackpool	R	6	[illegible]	Malaga	C	17	63
Bordeaux	F	13	55	Malta	S	17	63
Casablnca.	F	21	70	Nairobi	C	20	68
Cape Town	S	23	73	Naples	F	15	59
Corfu	R	11	52	Nice	C	12	54
Dubrovnik	S	12	54	Nicosia	C	15	59
Faro	C	16	61	Oporto	R	16	61
Florence	C	11	52	Rhodes	F	13	55
Funchal	F	18	64	Salzburg	S	[illegible]	[illegible]
Gibraltar	F	16	61	Tangier	F	20	68
Guernsey	C	8	46	Tenerife	F	15	[illegible]
Innsbruck	S	5	41	Tunis	S	17	[illegible]
Inverness	C	1	[illegible]	Valencia	S	16	[illegible]
I. of Man	R	7	45	Venice	F	1	[illegible]
Istanbul	C	1	39				

S—Sunny F—Fair C—Cloudy R—Rain Fg—Fog Sn—Snow

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